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CITY

JOURNAL

Fate of a World City
Nathan Glazer

Jersey City's Bret Schundler
An Interview

Chicago's Hands-On Mayor
Paul Glastris

The Livable City
Julia Vitullo-Martin

The New Community Activism
Heather Mac Donald

1886: The Men Who Would Be Mayor
Richard Brookhiser

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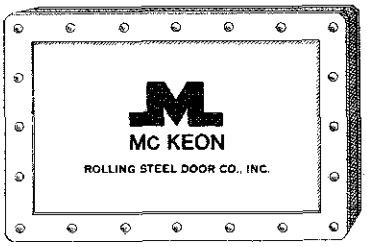

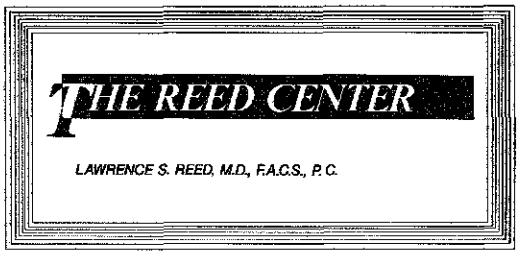

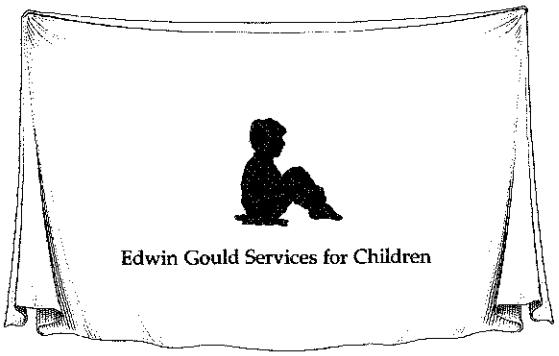

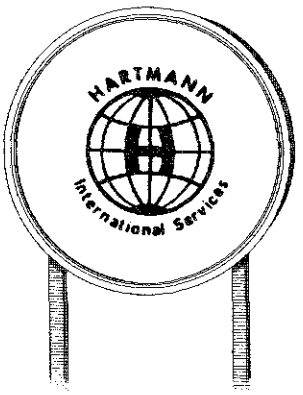

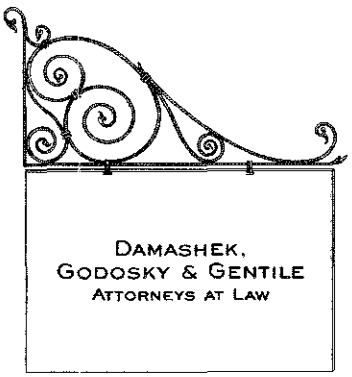

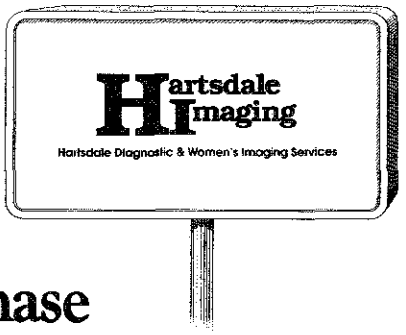

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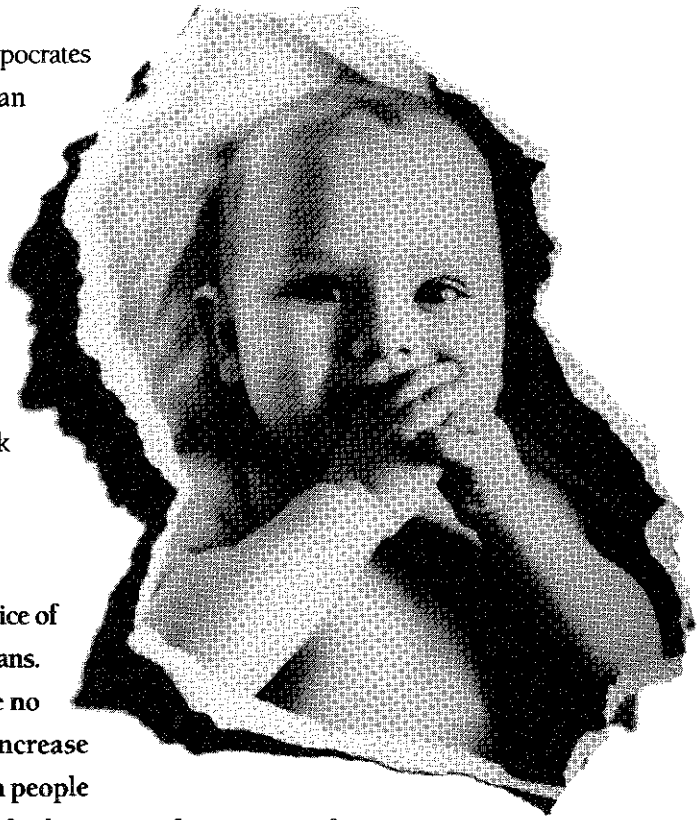

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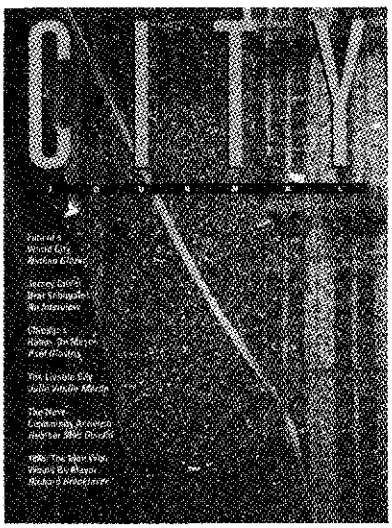
As the mayoral election approaches, New York is a city in crisis. A deep recession continues; the public schools are mostly inadequate; citizens live in fear of crime. The list could go on.

But in crisis there is opportunity, and the mayoral election affords an enormous opportunity for New York to regenerate itself—but not unless the candidates heed Stephen Berger's call to "Get Down to Basics." If the mayoral campaign becomes a clash of personalities or a conflict over race, all New Yorkers will lose. If, on the other hand, the candidates engage the debate over city government's fundamental priorities, New York's future will be much brighter.

This issue of the *City Journal* is about priorities. In "Fate of a World City," Nathan Glazer traces the city's current problems to a shift in its priorities. Beginning in the 1960s, he explains, the city government became less concerned with doing the things a city can do well—maintaining the infrastructure, policing the streets, picking up the trash—and more concerned with solving social problems, something a city government cannot do well.

The result, as Julia Vitullo-Martin describes, is a government that is unable to provide the services and amenities that make a city livable. Drawing on a series of surveys commissioned by the Commonwealth Fund, Vitullo-Martin shows that New Yorkers, drawn to the city by its economic and cultural vitality, are often driven out by its poor quality of life. In an increasingly competitive economy, the city can no longer



afford to give short shrift to such concerns.

Even when it comes to social programs, as three *City Journal* articles describe, government too often has the wrong priorities, opting for policies that have rhetorical appeal but disastrous results. Heather Mac Donald reports that the philosophy of "community treatment" for the mentally ill, drug addicts, and the homeless has been carried forth with no concern for the needs of communities. Neighborhoods saturated with social-service facilities have witnessed a proliferation of crime, drug dealing, and disorder. In some of New York's most politically progressive communities, a new wave of activists has emerged, fighting to reclaim their neighborhoods from an insensitive government and a failing social-service establishment.

William Grinker and Dennis Smith explain how the Human Resources Administration (HRA), the city's chief social welfare agency, has responded to budgetary pressures. It has cut its small staff of planners and analysts, under the rationale that they do not directly serve the poor, leaving HRA unable to evaluate the effectiveness of its efforts—and almost certainly dooming them to failure.

The idea of enterprise zones, Philip Kasinitz and Jan Rosenberg argue, is another case of misplaced priorities. The policy aims to bring employment opportunities into the inner cities, but does nothing to prepare local residents to get and keep jobs.

In "A Memo to the New Schools Chancellor," Raymond Domanico and Nathan Glazer propose breaking down the centralized school bureaucracy, for which good education is all too often a low priority. And Kay Hymowitz looks at one of the bright spots in the city's school system: the South Bronx's Mohegan School, where principal Jeffrey Litt is educating inner-city youngsters with a rigorous, challenging curriculum.

Our "City Watch" and "At Issue" features profile two mayors, Chicago's Richard M. Daley and Jersey City's Bret Schundler. They are from different political parties, different backgrounds, and vastly different cities, but each has a definite idea of what his city needs and is willing to act in innovative ways to make his vision a reality.

New York is a great city, and will remain a great city if its leaders can develop and act on an intelligent set of priorities. We hope this issue of the *City Journal* will provide food for thought, both for New York's mayoral candidates and for its voters. —*Eds.*

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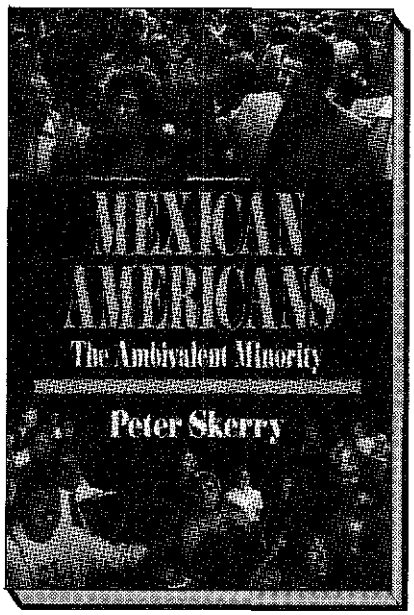
THE NEW POLITICS OF ASSIMILATION

Peter Skerry



Peter Skerry teaches political science at UCLA. Here he gives a synopsis of his book, Mexican Americans: The Ambivalent Minority, *The Free Press, nominated for the 1993* Los Angeles Times *Book Critics Circle Award.*

After years of indifference, Americans have recently become concerned about the millions of immigrants flooding into their cities. Newcomers from Mexico are one of the largest and most visible immigrant groups. Reacting to the clamor for Spanish-language ballots and bilingual education, many fear that this growing population cannot or will not assimilate into the mainstream of American life. In *Mexican Americans: The Ambivalent Minority*, I argue that such fears are largely misplaced and that Mexican immigrants and their offspring will, as they have in the past, learn English, gradually move up the social and economic ladder, and sing the national anthem at Dodger Stadium.

Nonetheless, there is reason to be concerned that, having joined the mainstream, Mexican Americans will see themselves not as individual citizens but as members of a group deserving special treatment and protection. Although they are learning English, for instance, Mexican Americans may still demand special rights for Spanish. The critical question, therefore, is not *whether* Mexican Americans will assimilate, but *how*—on what terms.

Mexican Americans are at a crossroads—torn between defining themselves as an immigrant ethnic group that came to this country in pursuit of economic opportunity or as a racial minority group, like black Americans, that sees itself as victimized and therefore deserving of remedies such as affirmative action. Aspects of the historical experience of Mexicans in the American Southwest fits the racial minority pattern. Yet Mexican Americans do not fit neatly into this mold, resembling European immigrants in important respects. They and their political leaders understand this, which is why I refer to Mexican Americans as "the ambivalent minority."

Most analysts focus on how today's social and economic context differs from that which greeted newcomers earlier this century. But typically overlooked are the enormous changes that have taken place in the political environment. Gone are the local political institutions, notably the big-city machines, that socialized newcomers into the mainstream of American politics. In their place are institutions shaped by the civil-rights revolution and its progeny, such as affirmative-action programs and the Voting Rights Act. Such efforts leave Mexican-American leaders little choice but to portray

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their people as a victimized racial group, despite evident social and economic progress. Thus, the challenges posed by the growing population of Mexican Americans are, to a degree widely unappreciated, fundamentally political in nature.

San Antonio and Los Angeles, the two major Mexican-American communities in the Southwest, highlight how the old and new styles of politics shape the assimilation of immigrants. The patronage-driven, neighborhood-based politics of San Antonio hearkens back to the machine politics of eastern cities earlier in this century, whereas politics in Los Angeles is thoroughly reformed, highly professionalized, and media-oriented.

These two cities point to a revealing paradox. Los Angeles has long offered Mexican Americans considerable economic and social mobility. Yet Mexican Americans there and in California generally have fared poorly in politics. Moreover, their activities have been been characterized by strident protest and efforts to define the group as a victimized racial minority.

In San Antonio, on the other hand, Mexican-Americans have suffered severe social and economic discrimination—at times even been treated as a racial caste. Despite this history, however, Mexican Americans throughout Texas have achieved far greater political gains than their California cousins. HUD Secretary Henry Cisneros, for example, is only the latest of many nationally prominent Mexican-American leaders to emerge from Texas.

This outcome can be explained by the political dynamics in these two cities. In San Antonio, minimal social and economic mobility have fostered close-knit neighborhoods, a strong sense of group identity, and outright anger. Although San Antonio's politics are often faction-ridden and corrupt, its political system is remarkably open and offers many small offices that can be won by neighborhood campaigns—providing patronage and other benefits with which to reward friends and neighbors. As a result, Mexican-American aspirations and resentments have found an outlet in politics, producing concrete gains while arousing relatively little rancor among Anglos.

In contrast, politics in Los Angeles has long discouraged genuine neighborhood-based efforts. With relatively few elective offices available, political competition is intense and expensive. Moreover, Mexican-American politicos complain that recently arrived immigrants are too preoccupied with economic survival and with avoiding the INS to be interested in politics, while the upwardly mobile move out of the barrios and quickly lose touch with their roots. As a result, the real anger among Mexican Americans in Los Angeles is found among frustrated activists, who end up relying on university-based cadres to stage media-oriented protests. Meanwhile, a small group of Mexican-American elected officials and their key staffers rely on the pressure generated by such activists to bolster their alliances with Anglo elites, whose support is typically based on the premise that the fundamental problems facing Mexicans are traceable to racial discrimination. Feeling constant pressure to compete with blacks for the attention of such allies, Mexican-American leaders declared after last year's upheaval, "This was our riot, too"—though in fact the East L.A. barrio was notably quiescent.

Contrary to some recent critiques, my reseach shows that Mexican-American leaders are not relying on bilingual education or similar policies to create barrio enclaves whose residents they can control. Mexican-American leaders understand perfectly well the powerful assimilative forces that have long been at work in their communities. But they are seeking to enhance their visibility by advocating a virtual open-borders policy. The huge influx of immigrants into cities like Los Angeles masks the up-and-out progress of more settled members of the group, and the problems of the new immigrants provide the basis for claims that Mexican Americans in general suffer from racial discrimination. Finally, the numbers game inspired by affirmative action means that Mexican-American leaders stand to benefit from their group's steadily increasing population, regardless of whether those numbers translate into votes on election day.

Today, the costs and implications of immigration are much different—and greater—than we typically assume. For contemporary political institutions compel even a moderately successful group like Mexican Americans to define itself as an unsuccessful, victimized racial minority. Without gainsaying the undeniable problems and obstacles that immigrant Mexicans face, our contemporary political culture seems unable to discuss such problems outside the context of racial discrimination. Not only does this foster competition and tension between Mexican Americans and blacks, it also fuels anxieties among Americans generally that here is another group incapable of succeeding on its own. Thus, today's influx promises to generate political strains of a sort not previously associated with immigration to this nation. ■

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GETTING DOWN TO BASICS

Stephen Berger

As New Yorkers prepare to elect a mayor, it is worth stating the obvious: the city is in trouble because its government is doing a poor job of carrying out its most basic functions. More than a million children attend our public schools, which, for the most part, do not prepare them to compete effectively in the global marketplace. The New York Police Department has more than 35,000 uniformed officers, but every day citizens fear they will be victimized by random violence. The city's infrastructure is crumbling, its bridges periodically closed for emergency work that would not be necessary if they had been maintained properly in the first place.

New York City has to change the way it does business. With limited and shrinking revenues, city hall has to make the same kinds of decisions that overextended, inefficient companies have been making across the country for the past decade. An important reason why New York City's government has been unable to provide good basic services is that it has burdened itself with too many missions and responsibilities. Today, it has to choose which services are vital for New York's future prosperity and its citizens' well-being, and which are luxuries that the city can no longer afford.

New Yorkers should ask the candidates for mayor to name the things they think it most important for city government to do—and which four or five major functions they would eliminate. Any candidate who does not cogently address both sides of the question does not deserve their votes.

The most important challenge facing our next mayor will be to take the lead in forging a new, more narrowly focused definition of the proper scope of city government. Reaching a consensus on this question will not be easy, but no one other than the mayor is in a position even to try.

In developing such a consensus, the mayor will have to overcome the weight of history and conventional wisdom. New York's elected officials, entrenched bureaucracies, organized interests, and media all share the illusion that city government has nearly unlimited power to remedy all kinds of social and economic ills. The dominant vision for the past three decades or more has been of an imperial city, a 51st state acting out of a sense of noblesse oblige, creating a seemingly endless array of programs for a grateful populace.

Not even during the fiscal crisis of the mid-1970s were the city's mayors willing to distinguish essential functions, to which the city must be committed even in hard times, from those that are expendable or that, while impor-

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tant, must be left to someone else. Instead, when forced to do so by recession, mayors have usually cut spending across the board without reducing the scope of city functions. That approach produces a government that has a remarkably wide range of functions but performs none of them particularly well, and that will never be able to maintain a stable fiscal balance.

The current painful restructuring of New York's economy only serves to sharpen the conflict between the city's boundless ambitions and its limited resources. Since the current recession began in 1989, New York City has lost some 370,000 jobs. The recovery, when it arrives, will probably be sluggish. It is unlikely in the foreseeable future that the mayor will enjoy a boom like the one that allowed the Koch administration to keep feeding the municipal spending machine during the 1980s.

The elimination of any city function, except the most essential, should be open for discussion. For example, the city should consider getting out of the business of operating hospitals, providing treatment to drug addicts, running off-track betting parlors, operating port facilities, performing most of the functions of the Department of Consumer Affairs, and subsidizing commercial real estate development. And competition should be introduced in other areas where the city government now has a monopoly.

The inability to define city government's limits has also led to wasteful duplication of city and state agencies and undermined the city's ability to pressure Albany to fulfill its responsibilities. For instance, there is no reason for both the city and the state to run employment services, mental health agencies, and economic development agencies.

Once we have identified the secondary functions that can be pared down, we have to make sure we can deliver essential services effectively. To achieve this, the mayor urgently needs to focus on two broad topics: labor/management relations and the concentration of decision-making power in city hall.

In all too many areas, archaic Civil Service rules, inflexible contract provisions, and adversarial labor relations almost guarantee that the city will not be able to make full use of its workers' talents. The success of reform will depend greatly on the city's ability to reward managers and front-line workers who perform effectively—and, to a lesser extent, to penalize those whose performance is unacceptable. As long as the system is driven by standardized pay scales and test scores, this will be difficult. Innovation and ingenuity should be encouraged, not stifled by work-rule limitations. The city should concentrate on "outputs" and not "inputs"—not how many police officers are on the beat, but how many crimes are committed.

In fairness, New York City cannot do all this by itself. Many of the rules that determine the way we govern are dictated and protected by upstate legislators. The city must enlist new allies, since Albany will not change the rules just because they do not work for the city. The mayor must build a bipartisan coalition of city and county officials from throughout the state, who would collectively lobby for changes in Civil Service rules and other constraints on effective local governance.

One problem the mayor could address on his own is the excessive centralization of authority in city hall. Recent mayors have sought to solve a variety of managerial and political problems by concentrating power in the executive office. Top-level managers throughout city government are consequently forced to clear all kinds of decisions, both momentous and mundane, through city hall. To end the crippling overcentralization of city government, the mayor should sharply reduce his staff, appoint commissioners in whom he has confidence, give them the authority to make policy decisions, and hold them accountable for their performance.

New York City needs a fundamental reevaluation of its responsibilities and capabilities. I believe the city's leaders should concentrate on three concrete missions: educating the city's children, making the streets safe, and repairing and maintaining the infrastructure. If the government cannot provide these essentials that sustain society, it is not doing its job.

The vision of a city government that is all things to all people must give way to a new mindset, one that views the government as a provider of services and the citizenry as its customers. The city's pressing problems demand that the mayor present a clear vision, define priorities that reflect it, make hard budgetary and political choices, and win the cooperation of the City Council, public service unions, and State Legislature. This may sound like an elementary definition of the mayor's job, but it is one that no recent incumbent has embraced. This year, it is more important than ever that the candidates explain forthrightly how they would get down to the hard work of governing New York City. ■

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GOOD STANDING?

Walter K. Olson

One of the less edifying reactions to the Ruth Bader Ginsburg nomination came when a *New York Post* columnist lambasted the Brooklyn-born judge for having spent a good bit of effort trying to straighten out the tangled issue of "standing"—the law on who, if anyone, can sue when the government or someone else misbehaves. A nominee with a truly Big Heart, writer Sidney Zion seemed to think, would not have wasted her time on such a technical area. Which calls to mind the definition of a loophole as a feature of the tax code 1) whose function is not apparent at first glance and 2) which benefits someone else. At law, it's usually the technical concepts like standing that make all the difference.

Take the issue of who can sue to challenge allegedly improper state fiscal practices. On May 11, 1993, New York's highest court casually broadened citizens' standing to file such suits—and sent state financiers scrambling in panic. The result could be a long-overdue reform of state budgeting. But in this case, as in so many, one should not hope for too much public benefit from even well-intentioned lawsuits.

New York's borrowing methods have long insulted the spirit (at least) of the state's constitution, which prohibits Albany from borrowing money without voter approval. The state does that all the time, by channeling debt through its sprawling network of public authorities. The excuse is that since Albany is not formally obligated to pay interest on the bonds of its authorities, they don't count as state borrowing which voters would have to approve.

The theory is bad enough, but the practice is worse. Backdoor borrowing now accounts for no less than $17 billion of state debt, compared with $5 billion obtained through the front door. And since investors demand higher yields on unguaranteed authority bonds than on direct state bonds (to compensate for the lack of formal obligation), officials wind up paying many millions of taxpayer dollars in added interest for the privilege of evading voter scrutiny.

State officials more or less openly admit that they resort to authority bonding to get money for purposes voters would probably turn down if put on the ballot. In one famous deal, the Urban Development Corporation raised $230 million in bonds without voter approval, which it slipped into the state's hands by buying Attica prison and leasing it back to the state. "The Thruway Authority is doing canals," adds analyst Michael Brooks of Sanford C. Bernstein & Co. "These things have lives of their own."

Officials argue that such practices are lawful under existing

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precedent. In the 1970s, a Brooklyn Law School professor named Leon Wein filed and lost a number of suits challenging back-door financing. On top of that, until May, New York courts had maintained a restrictive attitude toward standing in cases of this sort—meaning that it was hard for anyone to get into court to challenge the state in the first place.

None of which discouraged taxpayer activist Robert L. Schulz. Filing on his own behalf without a lawyer, the 53-year-old semiretired engineer has launched more than twenty challenges to the state's bonding practices. At first, like many of his *pro se* brethren, Schulz seemed a mere nuisance. Indeed, in 1992 a lawyer representing the state Democratic party and Governor Cuomo's campaign committee sought a permanent injunction barring the Glens Falls resident from filing any more of his putatively frivolous lawsuits.

But the do-it-yourself litigant—who gained experience as he lost early cases—was beginning to score some victories. Among them was a successful challenge to the state's practice of spending tax money to publish brochures touting the merits of bond issues pending before the voters. And last year he secured a ruling, overturned on appeal, that $531 million in deficit notes was unconstitutional.

Schulz is not planning to join the Establishment anytime soon. One of his suits demanded that Tax Commissioner James Wetzler be mulcted to the tune of $1,000 "from his personal account" for having led a dubious foray into New Jersey to catch sales-tax evaders. And along with "prospective" relief restraining the state from issuing new bonds without voter approval, Schulz has asked courts to unravel done deals, which would force the recall of already-sold bonds. By frightening investors, tactics of this sort have already backfired against the interests of taxpayers. Schulz's temporary victory last year on the deficit notes is said to have nicked the state's reputation badly in credit markets, forcing interest payments higher. "As investors demand higher yields, the state and taxpayers lose millions of dollars," former Comptroller Edward Regan told the *Bond Buyer*.

Which is why even many who sympathize with Schulz's aims stop short of endorsing his banzai litigation attack. Regan, who calls New York's borrowing practices the worst in the country, has said Schulz "should get moral support from anyone who cares about debt reform," but "one of these days, he's going to win one . . . and that would be a disaster for this state."

This May, with his standing victory, Schulz came a giant step closer. The Court of Appeals threw out the two claims under consideration as having been made too late, but declared that Schulz (and anyone else) would enjoy liberal standing to pursue such claims in the future. Only weeks later an Albany judge handed down a temporary order in a Schulz case, restraining the Metropolitan Transit Authority and Thruway Authority from proceeding with a multibillion-dollar financing plan. The move was more symbolic than anything else, since the two agencies weren't planning to issue bonds right away, but the symbolism was noticed.

The case for liberal standing is clear enough: without it, a good deal of misconduct in government would be unreachable by judicial review and would have to be corrected by other means, if at all. "When the courts make it impossible for people to challenge the behavior of government, you have despotism in the extreme," as Schulz puts it.

The problems with liberal standing are less obvious but just as real. It places the power to litigate issues of general interest—which often amounts to the power to set the public agenda—in the hands of whoever is most dissatisfied with current policy, even if that person's views are shared by few others. "We lawyers know well," wrote one of the great ones, Frederick Pollock, "and may find high authority for it if required, that life would be intolerable if every man insisted on his legal rights to the full." Skillful politicians can hammer out, say, a redistricting plan that satisfies nearly all participants; but it winds up in court anyway, and whoever stayed out of the original compromise gets the visibility and leverage of being the plaintiff with citizen standing.

There is a wider paradox: if the vast body of voters or taxpayers are imperfectly represented by the state's elected governor and legislature—as they inevitably are—how much more imperfectly will they be represented by Schulz, who, for all his evident zeal and sincerity, has never had to face the voters? Is there some way to preserve the corrective promise of taxpayer suits while making sure they serve actual taxpayer interests? Perhaps Justice Ginsburg can return to her home state one of these days and offer some advice. ■

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LEAD ASTRAY

Richard Miniter

Concerned about his children's health, Tony Benjamin asked the city for help. It turned out to be a big mistake. In September 1992, in the midst of a lead-poisoning scare at city schools, he and his wife had five of their eight children tested by a private lab. Their youngest son, Elisha, now two years old, had a lead level of 25 micrograms per deciliter of blood—right at the threshold of what is considered dangerous. (The other children's lead counts were high, but not dangerously so.)

The family doctor recommended that Elisha be retested; he thought the boy's chicken pox might have temporarily boosted his lead count. With the illness in retreat, Elisha's lead level had fallen to 20 micrograms per deciliter—high, but not considered dangerous. The Benjamins were still concerned. They sent a copy of the two tests to the city Department of Health and asked for help. The lab also filed a copy of the first blood test with the department, under a state regulation that required any blood test showing a lead level of 25 micrograms or above to be reported to the city. (That requirement has since been modified. Now all test results must be filed with the city, which will act on any that shows a level of 20 micrograms or more.)

Mr. Benjamin got a lead detection kit and began testing his home. He was thorough, even testing beneath the top layer of paint on his walls and woodwork. Below the surface of most of the woodwork, Benjamin found high concentrations of lead. He called the New York State Lead Abatement Program in Albany, and an official said there was no cause for concern since the woodwork had been painted within the previous year, sealing in the old lead paint.

But one November morning, two city Health Department inspectors arrived unannounced at Benjamin's three-story home in Flatbush, Brooklyn. Wherever the inspectors saw a nick in the paint, they marked it with a large red rubber stamp reading VIOLATION. With 17 such marks placed throughout the Benjamin home, the inspectors pronounced it a health hazard. Benjamin and his wife were told to move the family out, strip all the woodwork, and renovate the basement. Later he was notified by certified mail that if he did not immediately repair the 17 violations, he would face fines of up to $8,500.

The inspection seemed random, Benjamin says: "They just wandered about." The inspectors did not examine the children's bedrooms. Nor did they look at the windows, where friction tends to strip away paint, or the baseboards, closer to the level of young children

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than the doorway moldings on which the inspectors concentrated.

Benjamin did renovate the basement, where Elisha often plays, at a cost of about $7,000. He says complying with the rest of the city's orders would cost between $10,000 and $15,000. A small businessman, he cannot afford the repairs, and he is certain that they would have no noticeable effect on his child's health. He decided to appeal.

City inspectors showed up three more times and grew more impatient with Benjamin each time. Two subsequent blood tests showed that Elisha's lead level continued to drop—eventually to ten micrograms per deciliter—though Benjamin failed to take the steps the city ordered. Although the Health Department's official notice said the violations "present a danger to the life or health of the child/children of the above-referenced premises," city officials repeatedly told Benjamin that Elisha's lead levels were "irrelevant" and they just wanted him to comply with the rules.

Benjamin's case was eventually heard by an administrative judge, who refused even to look at Elisha's blood tests. Benjamin's only defense, the judge said, would be that the paint did not contain lead. Benjamin wanted to argue that the lead paint is not a health hazard because it is not peeling or cracked, and that what the city describes as "peeling paint" violations are, in fact, merely nicks in the paint. The judge decided not to fine Benjamin, "since he has acted diligently thus far." But Benjamin must still comply with the city's order to remove the offending paint.

Benjamin's story is more than a case of bureaucratic overzealousness—it is a parable of government failure. The city chose the wrong target in its war on lead—lead paint, rather than lead in a child's blood. In fact, if Benjamin complies with the city's orders it could actually harm his children's health, since stripping away old paint can increase the amount of exposed lead.

Moreover, the city's heavy-handed bureaucratic tactics all but ensure that parents will resist, rather than cooperate with, its lead-abatement efforts. The Benjamins' neighbors, having heard about the family's plight, are having their children tested out of state so the city will not learn of the results—or are risking their children's health by not having them tested at all.

The city would be far more successful in its efforts if it took a less coercive approach. It should offer to inspect homes for lead with the understanding that rather than citing "violations," it will offer prudent advice on how to minimize risk. Poor parents should be given vouchers to cover the cost of lead abatement. The Health Department's expertise could be of great value to parents. In Benjamin's case, the inspectors did determine that the basement play area was a large source of lead for his children; his own detection kit had registered negative. But when Elisha's lead levels came down, the city should have backed off.

Lead is a serious problem in New York City. Forty percent of the city's houses and apartments were built before 1940, when lead paint was common. There may be as many as 240,000 apartments that have both lead paint and small children. Toxicologists agree that high levels of lead can impair a child's ability to learn.

But the issue is larger than lead. Thanks in part to a growing number of state and federal mandates, the city must increasingly regulate complex matters of environmental risk. In the case of lead, as with asbestos several years ago, the city is doing a poor job of identifying and remedying the most serious risks. With the federal Environmental Protection Agency expected to issue new regulations on radon and water quality soon, it is urgent that the city reassess the way it deals with environmental risks.

The city's bureaucratic overkill means that New Yorkers will be less willing to dig into their wallets to satisfy regulations that have no significant health benefits. Benjamin, who was hit with a bill for thousands of dollars to remove asbestos from his home and is now being hounded about lead paint, wonders where it will all end. Like most citizens, he is willing to make a good-faith effort to reduce environmental risks. The city should reciprocate by carefully balancing costs and benefits, requiring citizens only to do what is necessary to avert real risks. If the remaining risk is small, the city should know when to stop. New York must never allow a call for help to become a costly mistake. ■

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BACK TAXES FOR SALE

Kenneth Silber

New York's continuing recession has weakened the real estate market, hindering the city's ability to collect property taxes. The rate of delinquency, which declined to less than 2 percent in 1987, is now close to 4 percent; city officials estimate that New York residents fail to pay more than $300 million per year in property taxes on time.

City policies further compound this expense. When a property owner fails to pay taxes on time, the city invokes collection procedures, charging interest on the delinquent taxes at an 18 percent annual rate. If the city still cannot collect, it seizes the property *in rem*, taking it off the tax rolls and incurring the costs of maintenance and rehabilitation.

The Office of Property Management of the Department of Housing Preservation and Development (HPD) maintains almost 30,000 occupied residential and commercial units in apartment buildings, more than 1,300 occupied units in one- and two-family houses, and thousands of vacant apartments. The city plans to spend $1.6 billion during the next decade on the maintenance, rehabilitation, and eventual disposition of *in rem* properties. When the properties leave city hands, they are usually turned over to nonprofit organizations, which pay no property taxes.

New York City could both reduce its expenditures and improve its housing stock by adopting an approach many other local governments use for dealing with delinquent property taxes: selling liens to private investors.

The selling of tax liens would in effect privatize the collection of back taxes. The city would hold an auction to determine the interest rate attached to a lien. Bidding would open at a high rate—say, 18 percent—which would be bid down. The purchaser would pay the city the face value of the lien—the entire debt owed the city on a property, including taxes, interest previously accrued, and water and sewer bills. It would be his responsibility to collect the money owed, plus the interest that would serve as his profit on the investment, from the delinquent taxpayer. If his collection efforts failed, the purchaser of the lien would take ownership of the property.

By selling liens, New York City would receive a portion of the money owed it in a timely fashion and would reduce the number of properties entering the expensive and often poorly maintained *in rem* system. In Chicago, the Cook County government was able to sell about 30 percent of the liens it offered at its annual auction in early 1993, raising $76 million. Marc Wurzel, an aide to

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Republican City Councilman Fred Cerullo of Staten Island, estimates that New York could sell some $70 million worth of liens each year and save another $40 million in annual HPD expenses by keeping property in private hands.

In June 1993, Cerullo and his fellow council Republicans proposed that a lien sale be included as part of the city's fiscal 1994 budget. A city law authorizes such sales, though it limits the interest rate to 12 percent. The Dinkins administration and council Democrats blocked the plan.

The city's budget for fiscal 1994 does include an administration proposal that superficially resembles a lien sale and is intended to address the fiscal gap caused by rising property tax delinquencies. Under the deal, which has not yet been finalized, a subsidiary of Chemical Bank would pay $215 million in exchange for a share of the revenues received by the city in future tax collections. The proposal was strongly criticized by state fiscal monitors as a form of borrowing against uncertain revenues. Under the plan the city would remain the owner of the liens and retain the responsibility of collecting the taxes or foreclosing upon delinquent taxpayers. By contrast, revenues generated through a lien sale would belong to the city, free and clear.

Administration officials oppose lien sales on several grounds. They argue that many *in rem* properties are economically unviable and therefore would fail to attract private investors. Yet the city's own practices contribute to this lack of viability. Under current arrangements, properties often deteriorate while the city is engaged in lengthy collection procedures against delinquent owners. A lien sale program would help prevent such deterioration by keeping properties in private hands and by making it harder for tax evaders to engage in delaying tactics. Since private lien holders, unlike city employees, would have a direct financial interest in collecting back taxes, they would likely do so more effectively.

Another objection is that the city would lose revenues by forgoing interest income on the debts that eventually are repaid. But the city loses both interest and principal on those buildings that it takes over. If it relies on revenues from such interest, the municipal government is, in effect, acting as a bank for delinquent taxpayers—a role carrying risks and administrative costs that almost certainly outweigh the benefits.

The administration also argues that lien sales might lead to increased evictions of tenants by new owners. While there is something to this argument, tenants are not well-served by the current process, in which landlords, prior to abandoning buildings, allow them to fall into disrepair while still seeking to collect rents. Nor do tenants necessarily benefit from being conscripted into the *in rem* system, in which buildings are often poorly maintained.

Safeguards could be introduced to minimize any dislocations that might be caused by lien sales. The proposal by the City Council Republicans, for example, would allow owner-occupants of homes and condominiums to apply for an exemption from the lien sale procedure. It also would require a two-year waiting period before a lien on a residential property is sold (as opposed to one year for a commercial property) and repeated notification of delinquent taxpayers prior to such transactions.

New York's reluctance to engage in lien sales stands in marked contrast with recent innovations in Jersey City. There, Mayor Bret Schundler has set up a program in which municipal claims on properties are "bundled" and sold to institutional investors. As Schundler explains in a *City Journal* interview elsewhere in this issue, the practice takes advantage of financial institutions' already existing collection capabilities and allows Jersey City to sell liens that otherwise would find no buyer.

If New York City began selling tax liens, it would find a group of investors eager to enter the market. Citizens to Collect Real Estate Debts Owed New York City, an organization headed by real estate executive Stephen Anfang and consisting of investors who are interested in buying liens, has lobbied the city since 1991 to allow such deals. The city should do so, both to increase its property tax revenues and to stem the growth of the costly *in rem* system. ■

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USER-FRIENDLY GOVERNMENT

Richard Ryan

Automated teller machines, introduced in the early 1980s, freed customers from the long lines and restricted hours that once were an inevitable part of even simple banking transactions. Now many state and local governments are catching up with the Information Age, using interactive computer terminals known as information kiosks to make citizens' encounters with the government more efficient and pleasant.

Users of the Info/California system, for example, use a touch-sensitive screen to operate a multimedia terminal that provides information from a variety of state agencies in both English and Spanish. The terminals, which were tested in Sacramento and San Diego and are now being installed statewide, allow citizens to order birth certificates, renew car registrations, and read up on such diverse topics as student aid, earthquake preparedness, and beaches. The most popular function during the nine-month test period was Job Match, in which users browse employment listings from the state Department of Labor and can print out an application if a position catches their interest.

In Arizona, the state court system is testing a kiosk system known as QuickCourt, designed to speed up basic legal proceedings. A litigant in an uncontested, no-fault divorce, for example, can fill out a petition on the terminal, which will walk the user through eight different forms and even calculate child support payments. When the paperwork is complete, the terminal automatically prints it out, and the petitioner simply drops it off with the court clerk. The kiosk will also print out eviction notices in landlord-tenant disputes, provide hard copy on a variety of legal procedures and services, and direct users to an attorney if a problem appears to be beyond the machine's capacity.

QuickCourt users are guided through the system by "Victor the Talking Head," a professional actor taped for the software, who translates legal jargon into everyday language ("neutral third parties" become "helpers," for instance). The kiosks are a hit with the public, according to Barbara Roach, a spokeswoman for the state Supreme Court. "The one at the courthouse in Mesa is so popular that people are making appointments to use it."

Other kiosk systems have been installed by state governments in Hawaii and Nebraska; city and county governments in Arizona, California, and Florida; and the federal Health Care Finance Administration and Social Security Administration.

Not all such systems have succeeded. In Hawaii, for example, the state government installed a

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system in 1990; after six months an average of only 33 people a day were using each machine. When use declined even further, the state decided to delay any expansion of the system. A key feature of the more successful systems seems to be that they are "transactional." That is, beyond merely providing information, they allow citizens to conduct business with the government more quickly and conveniently than in the past.

New York City's government is beginning to experiment with information kiosks. Mayor Dinkins's office recently installed two 24-hour machines at City Hall. The system, which bears the rather grandiose title "Key to the City," provides tourist information and a guide to city services. The on-screen program opens with a videotape loop of the mayor welcoming visitors. Next, terminal users are presented with a menu of information: maps of Manhattan transportation routes, guides to local tourist attractions, photos and job descriptions of all elected city officials, and overviews of each city agency. One screen is devoted to the ten most frequently asked questions at City Hall. (Topping the list: "Where do I get a marriage license?")

The city's Department of Probation plans a more sophisticated system to monitor nonviolent offenders. Currently, some ten thousand such low-risk probationers are required only to fill out a survey form and mail it in periodically. The Probation Department has no way of knowing who is actually filling out these surveys and can't respond to problem cases quickly enough.

The department plans to require that low-risk probationers make monthly visits to information kiosks, which will be installed at department offices. The probationers will be positively identified, perhaps through handprint recognition devices, and then asked to fill out the usual surveys on-screen. If, at any time in the process, it appears that a probationer ought to see an officer, the system will alert department staffers. And if the probationer wants to talk with his counselor, he will be able to switch from the kiosk to a face-to-face meeting. The machines will actually help humanize the process, according to department spokesman Gerry Milgiore: "In terms of the low-risk probationers, this actually gets them into the offices and gives them a chance to talk directly with a probation officer."

Less specialized uses of information kiosks may also be on the way in New York. MetroNet—the local subsidiary of North Communications, the country's largest kiosk software developer—is planning to create a network of as many as a hundred kiosks in building lobbies throughout the metropolitan area. These kiosks will present much of the same information as the terminals being installed in City Hall, and perhaps additional information about state services.

MetroNet plans to provide the service to the government free of charge, because it will be part of a commercial network dispensing other, fee-based services as well. The company is modeling the New York project on a network recently installed in Minneapolis. Some of the applications there are quite advanced. A user who wants to buy tickets to a Minnesota Twins baseball game, for example, can press a button on the screen to request available seats in a certain price range. Before settling on a ticket, he can watch a video clip of a game, shot from the area where the seat is located.

Could information kiosks supplant New York City employees, allowing the city government to cut costs without slashing basic services? Ernie Satterwhite, MetroNet's project director, says a kiosk system poses no threat to public jobs. "Where it's been implemented, we find it gives [government] employees *more* to do. It really drives people to the right clerk." Such claims, however, may simply be a matter of marketing. Given the political power of municipal employees, the systems' ability to cut jobs is not their strongest selling point with city leaders.

Then again, the kiosks will ultimately have to earn their keep on qualitative rather than economic grounds. If city agencies are going to respond to demands that they treat citizens like valued customers, they will have to deliver services in a way that makes the process of dealing with government more pleasant and less time-consuming. Kiosks can certainly play a role in accomplishing that. ■

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Fate of a World City

Nathan Glazer

If New York is to remain a world-class city, it must rethink the priority it has placed on expansive social programs at the expense of the essential services that allow a city to work.

Delivered at the Woodrow Wilson International Center for Scholars, Washington, D.C., May 26, 1993:

What do we mean by a "world city"? A current book on New York City, edited by Martin Shefter, is titled *Capital of the American Century: The National and International Influence of New York City.* The American Century ran from 1945 to . . . well, there is some indeterminacy as to its completion. But the United States is still the most powerful country—economically, militarily, diplomatically—in the world, and its culture is as significant as that of any other country in the world. The Capital of the American Century would surely qualify as a "world city." But is New York City eligible for the title "Capital of the American Century"? New York's role as a capital of anything is somewhat clouded. It is not the capital of the United States, not even the capital of New York State, yet the book's title does claim that New York is a city of world significance—and not because the United Nations is located here.

The title evokes Walter Benjamin's reference to Paris as the "Capital of the Nineteenth Century." Paris made its claim because of the significant world events that began there and influenced all of Europe, and because of the worldwide significance of its culture, even as France's military, economic, and diplomatic power declined. Each world city makes a claim on a different basis; I believe New York's was based on two factors: the preeminence of the United States in the world economy and the significance of New York City as the place where key decisions affecting that economy—not the political decisions, but the decisions implied by its role as the center of financial markets—were taken. But of course other elements contributed—its population, twice the size of the next American city; its role as the great immigrant city in a great immigrant nation; its increasing attractiveness in the course of the nineteenth and twentieth centuries to those who made American art, music, and literature a significant force in world culture and to those who carried on the business of culture.

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And one can add other elements, such as its monuments and icons. New York would be less of a world city without the Statue of Liberty. Indeed, *Capital of the American Century* bears on its cover a photograph of the Statue of Liberty, with the World Trade Center in the background.

When I ask what is the fate of New York as a world city, what I have in mind is its capacity to play in the league of world cities. I think of a world city primarily as a hub of transactions in an internationally enmeshed economy. And the question asks: Whatever happens throughout the world economy, will New York remain a city in which much of consequence will take place?

We know that the headquarters of most large companies have already moved from New York. But that has been going on for decades. We also know that the banks, law firms, and accounting firms they deal with, as well as many of the people who design their new out-of-town headquarters and logos—in short, the entire multifarious system of support for business—remain centered in New York. The city also contains the major centers of mass media and the major cultural institutions that the rich and powerful will want to group around them—or group themselves around. All these are part of what makes a world city.

Some decline from New York's eminent position has a certain inevitability. There is such a thing as the sweep of world history, in which Japan closes the distance between itself and what is still the world's largest economy, in which we surprisingly find huge China joining the little Asian dragons on the heels of Japan, in which a European Community, with an economy much larger than that of the United States, comes into being. Along with these global trends, there are others, in our own country, that must affect New York and its fate. New York has the same population, more or less, that it had in 1930 or 1940—rather remarkable, since most old northeastern industrial cities have lost a great part of their populations. But in the meantime, the rest of the population of the United States has doubled, and New York's weight in the United States—in particular its political weight, which is reckoned in large part by numbers—has been much reduced. In 1970, New York was still the largest state, and half its population lived in New York City. Today New York is far outdistanced by California, and New York City is a smaller share of the state's population. The city's role in the state government, which exercises so much power over its political and financial affairs, is reduced, as is its role in the Federal Government

New York stopped trying to do well the kinds of things a city can do, and started trying to do the kinds of things a city cannot do

But it remains a center of world significance in the roles that have come to define a great world city. It is where one goes to consummate the largest deals, to gain access to the largest pools of capital; it is home to the largest news-gathering institutions, a place of access to the most immediate commercial intelligence in a host of fields. It is a headquarters, if not of many industrial corporations, then of the service and financial industries and of the new consumption industries that produce and market images, music, and information. These are industries whose sales and significance rival those of the old ones—steel, railroads, mineral extraction, and mass manufacture—that made the United States the largest economy in the world at the turn of the century. The giants of the Industrial Age, regardless of where their facilities were located, came to New York to transact their most important business. So do the new industries that are replacing them.

New York became a remarkably distinctive and powerful icon of such transactions. With its awe-inspiring collection of skyscrapers, its great bridges, its huge railroad terminals, and its vast underground transit system, New York emerged as the very symbol of modernity and mega-urbanism. If one sees an art or photography exhibition on "the city," almost anywhere, one can be sure images of New York will predominate.

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A city can live, of course, without emblems or icons. But a world city gains identity and pride by the immediate recognizability of such symbols. For New York, they are the product of a distinctive site transformed by great works of man. In recent years, unfortunately, emblems such as skyscrapers, bridges, the Statue of Liberty, and the grand entrance to New York Harbor—all the things we saw in the movies of the 1930s and 1940s—have been joined by new emblems: garbage-strewn streets, graffiti-marred subways and buildings, half-abandoned housing, an ever more visible disturbed and derelict population.

It is true that superficially similar images of the underside of urban life were once prominent in movies of New York, and as recognizable as its skyscrapers: the crowded tenements, the slums from which came gangsters and prizefighters. But there was a certain romance and glamour in the city of slums and poverty then; there is none, alas, in the pictures we now see projected against the background of a world city—the images of housing projects and drug use and meaningless crime. Undoubtedly, to speak of movies and their characterization of New York seems frivolous when we consider the economic and political problems of New York. Yet one should not underestimate the power of these images in affecting where people and businesses locate themselves. After all, as we have been told so often by the analysts of the information revolution, they can do it anywhere.

Where people and businesses will locate themselves is the key question when we consider the fate of New York as a world city. Where will immigrants, with great skills or hardly any, settle? Where will entrepreneurs start up? Where will people of talent in a host of fields go to realize it? Where will major financial and service and media institutions locate themselves? (We can kiss manufacturing goodbye: it employed 30 percent of the city workforce in 1960, but only 11 percent in 1990.) Images of the quality of life, as well as real levels of crime and taxes and services, will play a role. It is in connection with these decisions of hundreds of thousands of individuals to come, to stay, to invest, that one is concerned about the future of New York as a world city.

New York City is now going through hard times, as is Southern California, as are London and Paris, as is even, by its standards, Tokyo. But, unless we are on the verge of a shift in the cyclical pattern of economic development that no one of consequence expects, there will be recovery of a sort. The *Wall Street Journal* tells us that knowing investors with deep pockets are now looking at urban real estate again. Those of us who sometimes wonder what can possibly happen to those enormous office buildings when the back-office operations shift to New Jersey, or when electronic trading makes the markets unnecessary, will probably soon be revealed as pessimists, as these huge buildings, their values driven way down and rents reduced, fill up again.

New York has recovered in the past from disastrous downturns. In the 1980s it recovered from the crisis of the mid-1970s, which brought it to the edge of bankruptcy. The loss of 600,000 jobs in the 1970s was two-thirds made up with a gain of 400,000 jobs in the 1980s; the loss of 700,000 people in the 1970s was somewhat made up with an increase in population of 200,000 in the 1980s. (With immigration and social disorder hiding a good number of people from the census taker, the recovery in population might have been greater than the census records show.) Undoubtedly there will be some kind of recovery in the 1990s.

But at the same time, we are becoming more aware of conditions that have taken on a kind of permanence and that hobble New York by placing enormous and largely unnecessary obstacles in the way of its performing as a world city—or even as a reasonably efficient city. The distinctive political culture of New York City, seconded by that of New York State, has produced a structure of business disincentives unique in the United States, and unique, too, when contrasted with the league of world cities in which New York has to play. New York City's taxes, city and state, are overwhelming; its public services perform poorly; it seems to have lost the

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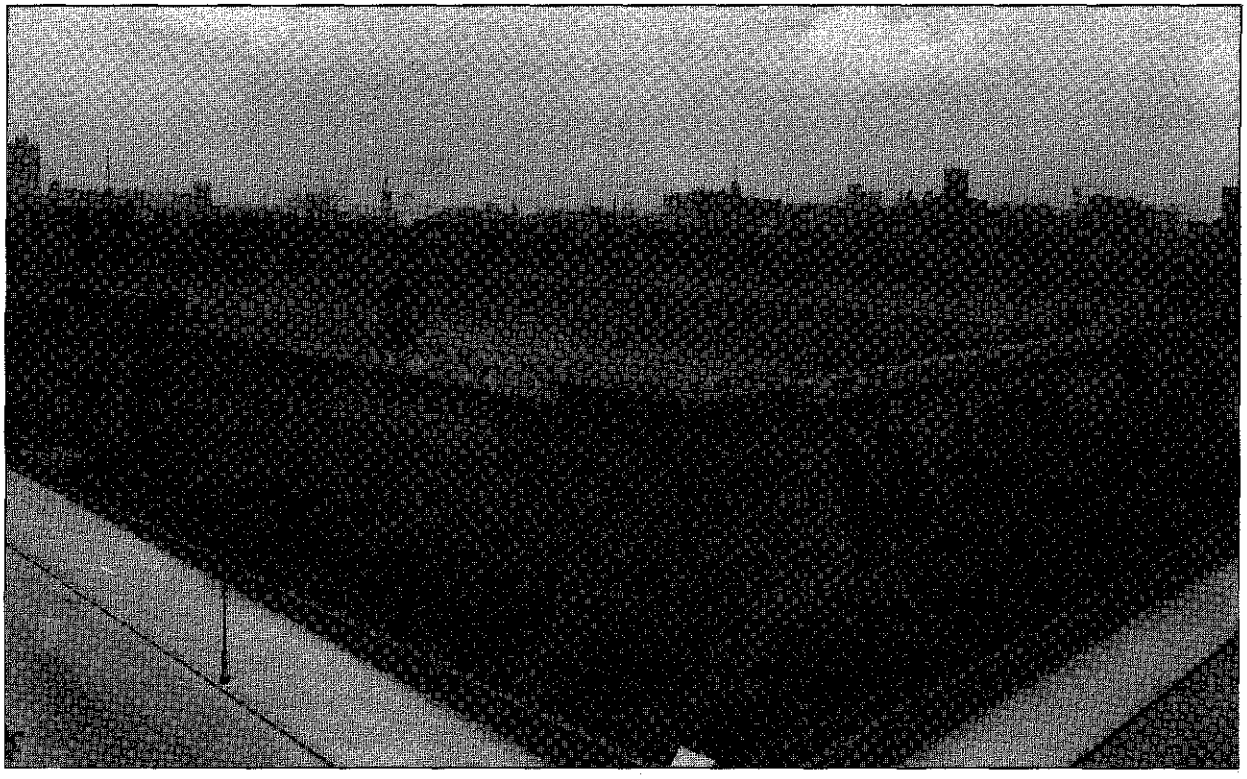

Courtesy of The New-York Historical Society, New York, NY.

The Croton Reservoir, 1898, on what is now the site of Bryant Park in midtown Manhattan.

ability to maintain and extend the facilities the city needs to perform effectively.

I am saying nothing new, but the evidence for these things becomes stronger and stronger. Whatever else is not working in New York, research on the city is flourishing. In such sources as the admirable series of studies by Charles Brecher and Raymond Horton on New York City's budget and services, *Setting Municipal Priorities;* in their recent capstone to the project, *Power Failure* (from which the statistics I have just cited come); in the *City Journal;* and in a variety of other studies, we have a sharper light on New York than we have had in some decades.

I conclude from these studies that New York's government, as defined by how it spends its money and what it tries to do, underwent a massive change in the 1960s, as a result of which it still suffers. I would define that change in one sentence: New York stopped trying to do well the kinds of things a city can do, and started trying to do the kinds of things a city cannot do. The things a city can do include keeping its streets and bridges in repair, building new facilities to accommodate new needs and a shifting population, picking up the garbage, and policing the public environment. Among the things it can't do are redistributing income on a large scale and solving the social and personal problems of people who, for whatever reason, are engaged in self-destructive behavior—resisting school, taking to drugs and crime, indulging in self-gratification at the expense of their children, their families, their neighbors. I realize this distinction is much too crude, too broad, but on the whole, I believe, it will hold.

Consider the evidence on how New York shifted from the things it can do to the things it can't do. In *Power Failure,* Brecher and Horton take 1960 as a comparison date. That was the year when Wallace Sayre and Herbert Kaufman's massive study, *Governing New York City,* was published. Sayre and

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Courtesy Bryant Park Restoration Corporation

Bryant Park, viewed from 40th Street, 1913.

Kaufman's book ended on a note of self-satisfaction; its last paragraph is worth quoting in full:

> The most lasting impressions created by a systematic analysis of New York City's political and governmental system as a whole are its democratic virtues: its qualities of openness, its commitments to bargaining and accommodation among participants, its receptivity to new participants, its opportunities for the exercise of leadership by an unmatched variety and number of the city's residents, new and old. Defects accompany these virtues, and in some situations overshadow them, but the City of New York can confidently ask: What other large American city is as democratically and as well governed?

Brecher and Horton quote this summing up, but they then go on to tell us they would be hard put to say the same thing today.

Consider first the pattern of public spending by the city over these thirty years. For the first half of this period, we learn, spending rose at an astonishing rate—in constant dollars, it tripled over 15 years. During this same period the population of the city declined substantially. What could have occasioned this remarkable increase in public spending? The increase could not, of course, be maintained; it was checked by the economic crisis of 1975. Spending declined somewhat, in constant dollars, until it began rising in 1983, to reach the 1975 level in 1990. It is as if the tripling of expenditure in those 15 years, 1960 to 1975, had established a new norm, and even if the city was driven

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away from it for a while by threat of bankruptcy, it strove mightily to return.

But in addition to the simple volume of public spending, we must look at its relation to the local economy. Was New York becoming so much richer that it could indulge itself in a much higher level of public spending? Brecher and Horton estimate the amount of city spending as a percentage of "local value added" (one measure of the size of the local economy). In 1961 this proportion was under 10 percent. It rose steadily, reaching 22 percent in 1975. The crisis then forced government spending down to a low of 17 percent of local value added in 1983, when it began rising again. It reached 19 percent in 1989. Again, a new norm had been established: city spending amounts to one-fifth of local value added.

It is astonishing that after 1960 city spending rose from one-tenth of local value added to more than one-fifth, and that, despite great economic difficulties since, this has remained the norm. The *Wall Street Journal* often points out that the Federal Government, after all the permutations and changes in its tax policies, takes one-fifth of the gross national product, year in and year out, whether under Republican or Democratic administrations. It seems that whatever the tax structure and rates, people manage to avoid contributing more than one-fifth of the national income to the Federal Government. The citizens of New York are less successful. In 15 years the city's political system managed to double its exactions from the people of New York. On top of that, the city is located in New York State, which has one of the heaviest tax burdens in the nation.

It would be superfluous to add that there was no observable improvement in the functioning of the city as a result of all this. Where, then, did the money go? It went to what Brecher and Horton call, quite directly, "primarily redistributive functions." This included public assistance, health, social services, and housing. From 26 percent of New York City's expenditures in 1961, "redistribution" rose to 36 percent in 1969—from a quarter to more than a third—and it has stayed at close to one-third of the city's expenditures, just as total expenditures as a proportion of local value added have stayed at close to one-fifth: another norm established.

Where did this increase in spending on redistribution come from? Largely from two sources: a reduction in what Brecher and Horton call "development," from 11 percent in 1961 down to 6 percent in 1969 (it did struggle back to regain the loss); and from what the authors call "other allocative functions"—that is, the regular work of city government, such as sanitation and fire fighting (but not including criminal justice or education), which dropped from 22 percent of all city expenditures in 1961 to 18 percent in 1969, and to 15 percent in 1975. (There has been some recovery in the percentage of money that goes to these basic functions since.) It is hard to avoid the conclusion that something drastic happened in the 1960s.

What could explain these seismic shifts in the city's spending? One thing that we know happened was that money from the Federal Government began to flow more freely to cities (and states) for various social policies we can call redistributive. The cities were encouraged to go into such activities, tempted into a level of expenditure they could not maintain except by raising taxes. In Brecher and Horton's book we learn that intergovernmental aid (state as well as federal), 18 percent of city expenditures in 1961, rose to almost 40 percent in 1979, before going down to 31 percent in 1990. That is 31 percent of a level of expenditure that was *triple* that of 1961. Federal subsidies may explain why the city went into this business with such enthusiasm, but why did it not reduce its commitment when federal aid was cut back?

Was New York inescapably driven to this expenditure because it had become a poorer city? By various measures, one notes no marked increase in the percentage of the population in poverty while expenditures were shooting up: it was 16 percent in 1960, 15 percent in 1970. It did rise to 20 percent in 1980 and a peak of 24 percent in 1986, but came down to 19 percent in 1990. New York did become

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Courtesy Bryant Park Restoration Corporation

Bryant Park, viewed from Sixth Avenue, 1939.

a somewhat poorer city, but the great increase in expenditure came while poverty was falling. Of course, many other things were happening: a great outflow of the older white population in the 1960s and 1970s, an inflow of Caribbean, Hispanic, and Asian immigrants. This might well have required a higher level of redistributive expenditure; it could also have been taken as a signal that belt-tightening was necessary. In any case, the argument that New York's expenditures rose to accommodate an increase in poverty will not hold for the mostly prosperous 1960s, when New York's welfare population tripled, to about a million—again, a new norm of city life.

How was this expenditure maintained? By the development of the most complex, irritating, and, indeed, destructive tax system of any city. Most city budgets are maintained principally by property taxes. In 1961, New York was more like other cities—64 percent of its tax revenue came from property taxes. But there then began an inexorable growth of those special New York City taxes that seem almost designed to drive business out: the city personal income tax, the commercial rent tax, the business income tax, the sales tax. By 1990, the property tax accounted for only 44 percent of city tax revenues.

One must now speak of another new norm, established in the 1960s, that maintains this per-

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verse system: the norm of city employment. There are 325,000 or so city jobs at any given time. In 1960, government jobs (almost all city jobs) accounted for 11.5 percent of all jobs in the city; this figure rose to 14.4 percent by 1969, during a decade in which the total number of jobs citywide increased 16 percent. Government employment rose yet further to 17 percent of all jobs in 1977, while the total number of jobs dropped almost 20 percent. In 1990, before the recession had bitten hard, the public sector again accounted for 17 percent of all jobs. The number dropped during the crisis beginning in 1975, but snapped back in the 1980s. It was never evident that the growth in employment did the city all that much good.

If one asks what maintains the new norms, it is not hard to find the answer: 85,000 teachers are a more powerful force in the city today than 45,000 were when Sayre and Kaufman wrote. The city population and public school enrollment have remained pretty much the same, while the number of school-system employees has doubled. And so with other unionized city employees.

"Redistribution" suggests handouts to the poor, and indeed some redistributive expenditures consist of cash payments to the poor. But far more go for salaries to those who serve the poor. Redistribution meant a huge increase in the number of city employees and in their influence over city decisions. As *The Economist* sardonically notes, only $3 billion of the $14.5 billion the city spends on social and medical services goes to the poor in direct payments. "That leaves $11.5 billion to be handled by umpteen intermediaries."

This analysis could be repeated for New York State. One might think that if New York City spends so much, it must be because New York State spends so little, forcing the city to spend more for what should be state functions. There is something to this: Medicaid, for example, is entirely covered by the state in most places, but not in New York. Still, the state is as much enchanted as the city with the idea of an activist government dealing energetically with poverty and other social problems. New York State is notorious for its high taxes. The 1960s were not an era of restrained expenditure in the New York State of Nelson Rockefeller—college campuses sprouted like weeds across the state, and a good part of central Albany was leveled for the awful Albany Mall. And in the 1980s, while New York City gradually recovered to the levels of expenditure it had attained in the 1960s, New York State increased spending much more.

The 1980s saw an amazing explosion of state spending, even though New York was already well ahead of most other states. In 1983, Edwin Rubenstein tells us, New York State already spent 29 percent more per capita, and 13.8 percent more relative to personal income, than the average of the other states. During the next eight years state spending rose 91 percent. By 1988, the state was spending 47.3 percent more per capita than the average of the other 49 states, and 24.4 percent more relative to personal income.

The money, Rubenstein notes, goes primarily to three areas: education, on which New York regularly spends more than virtually any other state; welfare, on which New York's spending is first in the nation as a percentage of personal income; and Medicaid, where New York also leads the nation. Perhaps New York's people are poorer and sicker—but New York's welfare and Medicaid spending for 1986-1987, state and local, was almost twice as high on a per capita basis as the national average, even taking into account such factors as population characteristics, crime rates, and high local salary levels, according to an analysis by Robert W. Rafuse Jr. of the Advisory Committee of Intergovernmental Relations.

Naturally, this means that New York has far more state and local workers than the nation as a whole—634 per ten thousand residents versus 494 in the other states. This does not mean that in those areas where one can judge quality, New York is ahead. The Empire State, for example, leads the nation in the percentage of its bridges in the federal-aid highway system that are structurally deficient

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and in need of repair—56 percent, against a national figure of 13 percent. In New York State, as in New York City, there is an irredeemable attachment to doing the things that can't be done very well, while those that can be done—like repairing the bridges—are considered old hat, hardly relevant to New York's deep social problems.

New York City's massive social problems, which scarcely need be rehearsed here, are themselves a constant menace to its capacity to act as a home base for economic activity. From the humblest taxi driver or storekeeper to the grandest international corporation, all are threatened by the city's public disorder. But the problem has been compounded by the city's pouring resources into problems on which it can make little or no headway, adding to the injury of social disorder the insult of heavy and unmatched taxation.

The argument for the primacy of greater expenditure on social problems is easily made: there are so many of them, they are so urgent. If a probation officer has a caseload of 160, for example, wouldn't things be better if it were 80—or why not 40? It is not easy to know what conclusions to draw from the fact that, after doubling or tripling expenditure on a problem, one has detected no particular improvement. Would another doubling help? Possibly.

On the other hand, a sharp reduction in expenditures does not seem to hurt. The recent experience of Massachusetts, which has had to tighten its belt severely and has had a governor willing to do it, is some evidence for that. And when the city workforce underwent a sudden and precipitate decline beginning in 1975, no one noticed that the problems became any worse. (One must agree, however, that they were no better, either.)

For some problems, one doesn't know what to do, even with great resources. I am skeptical, for example, that we know much about solving drug addiction, which contributes mightily to crime, homelessness, and dependency. I wonder even how much worse off the poor were when we were spending a few billion less on Medicaid.

This is not an easy argument to make, but I am willing to make it because there are things that the city, in principle, knows how to do, once did better, and doesn't do well anymore: fix up and maintain the streets, bridges, and tunnels; collect the garbage; maintain the water system—all the essentials of city living.

Beyond that, there are things the city did until about thirty or forty years ago and now can't do at all: extend the subways; build new bridges, tunnels, and other facilities. All this was once done with a celerity that is, in these latter days, unbelievable. The city suffers from a garbage crisis. In 1979, the mayor proposed to build eight giant incinerators; 14 years later, the first has yet to be started, while the only remaining landfill will not be able to take any more refuse in only a few years. When I say these are the things the city can do, I contrast the doable against the uncertain efforts to solve social problems—drug treatment, rehabilitating criminals, changing the capacities and motives of people on welfare. We do know how to build. We can estimate the costs and time to completion; there is no way to do that with social problems.

It is true that in New York City today, as in so many other cities, knowing how is not enough: there is an enormous distrust of government, and community groups have developed skills in agitation and obstruction they did not have when Sayre and Kaufman wrote about New York City. But it would be a counsel of despair to say that even the things that can be done technically cannot be done politically. There must be a way in which Westway or its equivalent can be built, in which public transit connections to the airports can be built, in which the crowded tunnel connections to New Jersey can be supplemented, in which better garbage collection and disposal systems can be created, in which great monuments of the sort we once built can again be erected. Ominously, we see all these things being done in the other world cities that are New York's competitors. If it is to remain a world city, New York must find the political leaders who can do them here. ■

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The Livable City

Confronting the Quality of Life

Julia Vitullo-Martin

What do New Yorkers want? A new survey casts light on the quality-of-life concerns that drive people to leave the city—and on what could be done to encourage New Yorkers to stay.

From the days of the Dutch, New York City has attracted people who come to find their fortune in the great city. In New York, the standards of achievement are higher, and the rewards for achievement greater, than anywhere else in America. "Wake up, muscles, we're in New York now," warned Casey Stengel, on being traded from the Phillies to the Giants.

Newcomers to the city are typically young, energetic, and ambitious. But when they are older and richer, they often leave, troubled by crime, dirt, pollution, and the pressures of the city. In sum, people are attracted to New York by its economic and cultural vitality; they are driven away by dissatisfaction with the quality of life.

A series of surveys commissioned by the Commonwealth Fund and conducted by Louis Harris and Associates confirms this perception and sheds a good deal of light on how New Yorkers view the quality of life. Harris polled 1,500 people who had recently moved to New York from other parts of the country, 1,500 who had recently left New York to live elsewhere, and 2,800 current residents of the five boroughs.

Those moving to New York, the survey found, are younger, better educated (but less affluent), and much less likely to be married or have children than those leaving. Most (61 percent) cite job changes as among their main reasons for moving to the city; 56 percent cite "cultural and other amenities." In contrast, only 34 percent of outmigrants say they left because of job changes. Fifty-five percent say they wanted to live in a better house or neighborhood, 54 percent were looking for a safer place, and 59 percent sought "a better lifestyle," particularly for their families. In addition, 39 percent were trying to reduce their costs of living and 26 percent specifically mentioned taxes.

These findings matter because the city's vitality depends on attracting and retaining productive people. If New York is to remain a world-class city, its municipal government must make a top priority of addressing those problems that drive people away. Ironically, such quality-of-life issues are, in theory, fairly easy to handle. A municipal government cannot create manufacturing enterprises or Wall Street

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firms, but it can pick up the garbage, control traffic, maintain the capital plant, and make the streets safer and more orderly.

New York's government has vast opportunities for improving the city's quality of life

New York is not an agreeable city. It is other things—energetic, creative, surging—but not agreeable. This matters less to young people, who are often fleeing a sterile culture that they don't want to reproduce here. But it is of enormous significance that only 34 percent of New Yorkers rate their city as a good place to live, in contrast with 60 percent of city dwellers nationwide. Forty-five percent of New Yorkers say they are likely to move out within the next three years. And while 50 percent of urban Americans say their cities are good places to raise a family, only 21 percent of New Yorkers say the same, and nearly half rate the city as "poor." Forty-one percent of those moving out of New York said a major reason was to find better schools.

Yet those who leave New York do not do so without regret: they miss the cultural attractions and career opportunities the city has to offer. There is every reason to think that the city could stanch the flow of residents by changing government policies. For example, 28 percent of out-migrants say that assistance in paying private-school tuition would have kept them in the city. In other areas as well, New York's government has vast opportunities for improving the city's quality of life, as we shall see by looking at the issues of crime, dirt, parks, and capital plant maintenance.

Crime

Nearly one-third of New Yorkers in the Commonwealth survey report that someone in their family has been the victim of crime in the past three years. Worse, for those who moved into the city within the past year, the figure is 22 percent. When asked the single most important thing they would like to see improved about the city, both in-migrants (38 percent) and out-migrants (41 percent) said safety. "No other answer came close," say the survey authors. Nine percent of out-migrants say they moved because they or a family member had become crime victims; 29 percent said they would have stayed had they felt the city was safe for their children. And when asked to name the two most important issues affecting their vote in the mayor's race, 33 percent of current New Yorkers cited crime and 9 percent mentioned drugs.

Even more serious, current New Yorkers who say they are likely to move cite crime far more often than any other reason: 40 percent say it is their primary motivation. Among likely movers, crime is named more often by Latinos (48 percent) and blacks (44 percent) than by whites (37 percent) or Asians (37 percent). And it is named by 49 percent of those with children under 18 in their households. Other surveys, such as those conducted over several years by Peter Harris for the MTA, reinforce the point that crime dominates all other concerns.

New Yorkers are understandably disturbed by the ineffectiveness of the $4-billion-a-year criminal justice system. Only 4 percent of felonies committed are punished by incarceration of any kind and less than 2 percent lead to a prison term, according to the 1987 report of the Commission on the Year 2000. "The city can do something about crime. It has sufficient authority to make a difference," the commission report said. "All elements of the criminal justice system must convey the message that punishment for crime will be certain and swift."

The city can also help prevent serious crime by combating public disorder. In the Commonwealth survey, two-thirds of New Yorkers say graffiti reduces the quality of life, 63 percent mention homeless people, 62 percent cite noise, and 59 percent mention panhandling. Studies have confirmed what James Q. Wilson calls the "broken window" effect: tolerance for disorder breeds more of it. Moreover, the fear caused by disorder drives law-

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abiding citizens off the streets, which are thereby ceded to criminals. Yet offenses against public order, such as vandalism and graffiti, are dismissed as "minor" crimes and seldom punished. Occasionally, agencies like the Parks Department present graffiti vandals with the option of being arrested by the police or spending a few Saturdays cleaning up graffiti. But these efforts are sporadic, in part because they are very hard to implement systematically and in part because they are seldom supported by the mayor's budget office.

The New York City Transit Authority has made significant progress against disorder and crime. When former transit police chief William Bratton instituted a crackdown on fare evasion, begging, and sleeping on trains, the rate of serious crime in the subway system dropped by 30 percent.

Dirt

Even putting aside its effect on crime, public disorder is itself a problem for New Yorkers. This is true even of something as simple as dirt, which 72 percent of New Yorkers surveyed say diminishes the quality of life. New York is surely the filthiest of major American cities, the only one that does not have a single faultlessly kept area under city control. City Hall has messy lawns, broken steps, and a park strewn with trash. The entrance to Gracie Mansion is dirty, and even Park Avenue, probably the best-maintained area of the city, has potholes and litter.

It is the tragedy of the commons writ large. As ecologist Garrett Hardin pointed out 25 years ago, property that is common to all is too often cared for by none: "Ruin is the destination toward which all men rush, each pursuing his own best interest in a society that believes in the freedom of the commons. Freedom in a commons brings ruin to all."

But it is possible to take back the commons. In the mid-1970s, Central Park's Sheep Meadow had been nearly destroyed by excessive athletic use. The worst offenders were teams organized by private schools around the park and by independent athletic leagues. When Parks Commissioner Gordon Davis decided that the only way to save the meadow was to shut it down and restore its lawn over two years, he was furiously threatened by several of the schools and softball leagues. But he overcame this opposition and reopened the renovated meadow, banning athletic uses. For the past few years, however, the Parks Department has relaxed the rules, and the Sheep Meadow may again be threatened. Nonetheless, the Central Park Conservancy has successfully used a similar strategy in other parts of the park.

By showing that it intends to clean itself up, the city could help change a culture that is far too tolerant of littering

Robert Kiley, former chairman of the Metropolitan Transportation Authority, and David Gunn, former president of the New York City Transit Authority, faced a more daunting task when they set out to rehabilitate the city's subway system. It had suffered tremendous deterioration over decades, but its elements had to be repaired in place, without shutting lines down except for brief periods. The job is far from complete, but great progress has been made. According to Peter Harris's surveys, riders using the most thoroughly rehabilitated line, the Seventh Avenue/Broadway local, rate their service far more highly than other riders do.

The approach used by Davis, Kiley, and Gunn entailed not only rehabilitating common areas, but also guarding them to prevent further deterioration. Davis created park rangers. Kiley and Gunn created station managers, who are responsible for keeping their stations clean and well-maintained.

By showing that it intends to clean itself up, the city could help change a culture that is far too tolerant of littering. One of Robert Moses's innovations, as described by Robert Caro, was assigning teams of well-dressed, good-spirited young workers to pick up refuse on Jones Beach immediately after visitors dropped it. The idea was to embarrass the

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miscreants. A relentless dose of summonses can also have an effect on behavior, as the success of the "pooper scooper" law demonstrated. Such punitive actions, however, should be undertaken only to change behavior, not to raise revenue—which seems to be the city's primary goal in ticketing merchants for dirty streets in front of their stores, in effect punishing small businesses for the city's inability to keep its streets clean.

And changes in behavior won't make much difference if garbage collection and street cleaning remain poor. Even by the city government's relatively lax standards, the percentage of districts with less than half the streets rated acceptably clean rose from 13.6 percent in 1989 to 25.4 percent in 1992. Sanitation problems are exacerbated by overly generous union contracts, documented by the Citizens Budget Commission in January 1993. The managerial and contractual problems facing sanitation are enormous, but a committed mayor would be the first step in making a difference.

Parks

New Yorkers love their parks, one of the brightest spots in the city's quality of life. In the Commonwealth Fund survey, a majority of New Yorkers rate the city excellent or good as a place for recreation and leisure. In a later poll, also commissioned by the Commonwealth Fund and conducted by LH Research (Louis Harris's new firm), 86 percent said the city's parks give them "a sense of civic pride and a good feeling about being with other New Yorkers." Further, 97 percent consider parks and playgrounds important in making New York City a livable place, and 96 percent describe them as "a really important part of growing up in New York."

The Parks Department has been particularly hard-hit by the city's recent fiscal problems; between 1989 and 1992 its budget was cut by nearly one-third, after inflation, and the department's fewer than three thousand employees are the smallest number in recent history. Yet New Yorkers are willing to pay to support their parks. Two-thirds of those polled say funding for parks should be restored at least to its 1970s level; nearly 40 percent think funding should be increased even further. Two out of three New Yorkers are willing to pay a voluntary tax dedicated to improving parks. And more than two-thirds say they would be more willing to vote for a mayoral candidate who made a strong commitment to restoring and improving the maintenance and safety of parks and playgrounds.

As the city has cut back on parks funding, private organizations have stepped in to fill the breach. Over the years, Central Park's restoration has gone from exclusively city financing to being jointly financed and managed by the city and the private Central Park Conservancy. Similar groups have been established to support Prospect, Riverside, Flushing Meadows-Corona, Van Cortlandt, and Pelham Bay parks. On a much smaller scale, neighborhood groups throughout the five boroughs have often taken over vacant lots or deteriorated playgrounds, restored them, staffed them, and in many cases locked them at night to prevent abuse.

Capital Plant

The maintenance of the city's capital plant is notoriously poor, as evidenced by crumbling bridges, pockmarked roads, and frequent water main breaks. The West Side Highway literally collapsed from rust; the Brooklyn Bridge sprung cables; the Queensboro Bridge began dropping pavement into the East River. City streets are so rough that buses often suffer frame damage after just a few months' use. Officials have a familiar set of excuses—New York is so big, so complex, so dense, so riddled with underground wires and pipes, that infrastructure maintenance is harder than it is anywhere else.

But consider the humble sidewalk. If the city can achieve perfection in any rehabilitation or construction project, it should be with sidewalks. Sidewalk construction is one of the oldest urban functions; it entails no technical complications whatever; it is done on the surface, so the many

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problems of underground work are avoided; it is an easily learned task. What's more, the city contracts out all the work, so the government's only duties are in management and oversight. Even cost is no barrier, since the city bills property owners for sidewalk reconstruction.

Yet the condition of New York City's sidewalks is abysmal. One would be hard-pressed to find an entire square block in New York whose sidewalks are in excellent condition—in contrast with any other major U.S. city. New York's sidewalks are rebuilt constantly, and badly. In July 1993, for example, workmen tore up every western corner on a segment of Amsterdam Avenue to install curb cuts for handicapped access. They worked with amazing speed and made a tremendous mess. They dug up the old concrete, threw some of it into a dumpster and flung the rest around the street, poured new cement, pushed in some wire partitions, tarred the boundaries of their work, set up flimsy barriers, and left. The freshly laid concrete was immediately vandalized by local high school students; unlike most suburban towns, New York does not require contractors to post sentinels while cement dries. The workers left behind hundreds of small tar balls that stuck to pedestrians' feet for several days. The curb cuts were bumpy and uneven, ugly and dangerous. In laying the corners the workmen damaged the street and adjoining sidewalk patches; they left the damage unrepaired. Complaints to the Department of Transportation were fruitless.

The city's unresponsiveness in such cases is staggering. One autumn morning, pollster Louis Harris emerged from his townhouse to find the entire sidewalk ripped up and an obviously incompetent contracting crew at work. He immediately called his new partner, former deputy mayor and Board of Education president Robert F. Wagner Jr. Wagner, in turn, called the office of the commissioner of transportation, asking for information about the job and how it could be halted. Six months and twenty transportation officials later, he got the information. The job, of course, was long since and badly completed.

Street reconstruction is even worse. The 14th Street debacle is famous: a six-month job to improve the business district ended up taking two years, driving many shops out of business, and then the shoddy work had to be redone. There are streets like that in almost every neighborhood—3rd Street in Brooklyn's Park Slope, for example. More astonishing, the city is now repaving Sixth Avenue, one of its premier avenues, in this fashion. In front of Radio City Music Hall, I recently noticed tar slopping up on the sidewalk from the work. I asked a contractor whether he would be removing it. "No, lady," he said, "the sidewalks are done by the next contractor."

With a few happy exceptions, the municipal government does not do a good job of performing its most basic functions

One may give up on the big things, conceding that the city of New York is no longer capable of building the Brooklyn Bridge or constructing a resplendent new courthouse. But surely it should be able to handle something as simple as sidewalks.

Can City Hall Do Its Job?

A recurring theme is evident in any examination of the city's quality-of-life problems: with a few happy exceptions, the municipal government does not do a good job of performing its most basic functions. It was not always thus. As recently as the late 1960s, the city was so confident of its ability to provide basic services that the Lindsay Administration based its sanitation strategy on the assumption that people would drop litter onto the streets, which would be cleaned daily. But New Yorkers' habit of littering long outlasted their government's ability to clean up after them.

Although New York City's government is ineffective, it is not impoverished. Indeed, it spends far more per capita than any other U.S. city (except

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Washington, D.C., which has no state government). And expenditures have gone up—by two-and-a-half times since the 1970s fiscal crisis—even as services have declined.

New York is now stuck with the only municipal government structure in the country organized around the redistribution of income

The problem is that, since the 1960s, the city government has steadily reduced the proportion of its budget spent on basic services in favor of an expanding menu of social welfare programs unique among American cities. As Nathan Glazer observes elsewhere in this journal, New York has moved away from doing the things a city can do well and toward doing the things a city cannot do well. The city budget allocates $6.9 billion to the Department of Social Services and a mere $575 million on sanitation. It spends some $880 million subsidizing a chain of municipal hospitals—a function no other city government has ever taken on—plus $294 million on health, $212 million on mental health, and $126 million on aging. Compare that with $146 million spent on parks, $129 million on libraries, and $70 million on the arts.

City officials argue that these heavy expenditures on health and welfare services are not their fault; they are mandated by the federal and state governments. But the fact is that the New York City government initially embraced the role of welfare state, believing it could be a channel of upward mobility for all who came here, particularly the marginal members of society. In contrast with virtually every other U.S. city, where welfare is almost entirely a state function, municipal government in New York set itself up as the jurisdiction that would train, educate, socialize, and care for those who would otherwise be cast aside. Among the many optional health and welfare programs offered by other levels of government, New York invariably opted for the most generous. During the fiscal crisis, budget officials tried to break this pattern and withdraw from many services, but the commitment went too deep.

New York is now stuck with the only municipal government structure in the country organized around the redistribution of income. As a result, New Yorkers not only pay very high taxes but also get poor basic services. Sixty-two percent of New Yorkers rate safety on the streets as poor; 53 percent say street, road, and highway maintenance is poor; and 37 percent rate health-care services as poor. Two-thirds of New Yorkers believe that city government can do something about their major concerns.

New York's failure to deliver good basic services takes its greatest toll on the poor, for whom schools are often atrocious, neighborhoods dangerous and dirty, and access to good transportation minimal. What lesson of upward mobility is there for a child in Harlem, stuck in a crumbling, dirty, chaotic school where drug dealers freely conduct business out front?

An additional problem with the delivery of services is managerial. Most city agencies are top-heavy; when budget crises occur, the tendency is to cut from the bottom. Deputy commissioners are kept on, while those who actually provide services are laid off. Top officials, moreover, are largely insulated from the drudgery of ordinary city living. The mayor and his deputies are driven to and from work, often have a car available for personal use, and seldom, if ever, need to take the subway. In other words, they do not consume their own services—nor must they comply with their own regulations. People laughed a few months ago when, at a press conference, it became clear that the police commissioner did not know the speed limit in the city. Why should he? He is exempt from its enforcement.

A first principle of reform would be simple: Top officials should live like New Yorkers. They should use city services—public transportation, parks, schools, and community centers. Just as the CEO of Ford Motor Company is expected to drive

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a Ford, so should the CEO of New York consume the services he oversees. An example was set by transit managers Kiley and Gunn, who made a point of riding the subways.

A second principle is that citizens should be treated like customers. Calculating that a good customer buys about $100 worth of groceries weekly, a successful grocer says: "When I see a frown on a customer's face, I see $50,000 about to walk out the door." When the mayor sees a frown on a New Yorker's face, he should see the possibility of a comparable loss to the city.

A third principle is that city employees must have incentives to do better work. "People are not dumb," writes Percy Barnevik, CEO of a multinational corporation. "They know that if their company is not competitive, there is no job security." But do government workers know this? In a few cases, the answer is yes. The Parks Department has a tiny but excellent in-house monument restoration team whose work is as good as that of private contractors. They are allowed tremendous independence in choosing and scheduling their projects, and are treated as the professionals they are. Parks also had an independent group of climbers and pruners—regular employees who, on facing cutbacks, had proposed that they be allowed to reorganize their work on their own to improve productivity. Other agencies doubtless also have some good in-house crews, but they are the exception rather than the rule.

Business consultant Tom Peters tells managers: "Starting this afternoon, don't walk past a shoddy product or service without comment or action—ever again." What if a mayor announced that this advice would be his ruling principle? If the city government were committed to rewarding good work and punishing bad, the quality of services could only improve.

Preserving New York's Strength

New York's economy has always been the city's great strength, and it remains the most powerful magnet attracting newcomers. Just over half of all in-migrants in the Commonwealth survey give an employment-related reason for moving to the city. Of current residents, 52 percent rate New York highly as a place to work. And nearly one in five New Yorkers stipulate either the economy (17 percent) or jobs and unemployment (19 percent) as a major factor determining their vote in the mayoral election.

New York cannot continue to prosper

if it remains poorly governed—

as it will without a fundamental change

in its philosophy of government

But New Yorkers are not entirely optimistic about the economy, and for good reason. Nearly two-thirds of those polled rate the opportunities for starting a business in New York negatively. High taxes and excessive regulations make it difficult for the city to sustain a flow of new enterprises and to retain its mature, successful business. According to various estimates, state and local taxes are 55 to 80 percent higher in New York City than in the rest of the country.

The city government's usual response to business flight has been to offer concessions to particular firms or sectors, such as abatements to keep large corporations from leaving or tax breaks specifically targeted at small businesses. The strategy is a defensive one: don't reform the structure, but help those who complain most aggressively. Such an approach merely shifts the burden to those businesses that are not favored, and does nothing to encourage the formation of new businesses. A drastic realignment of the city's economic policies is in order, aimed at making New York a more hospitable place for anyone to do business.

New York faces other economic challenges that cannot be directly addressed by city government. The communication revolution makes location much less important than in the past—you simply don't have to be in New York anymore, par-

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ticularly after you've established your career. It's helpful to come to New York young, fight your way toward the top, make contacts, establish a credential as a New Yorker—and then leave for your favorite playground. Aspen, Santa Fe, and Key West are now outposts of New York, populated by professionals in finance, advertising, publishing, entertainment—indeed, most every field short of old-time manufacturing.

The hard fact is that New York can no longer count on its status as an economic center to compensate for quality-of-life problems

The hard fact is that New York can no longer count on its status as an economic center to compensate for the quality-of-life problems that encourage people to leave. The city must ask: What do people, particularly upwardly mobile people, want? As the Commonwealth survey shows, they want economic opportunity combined with safe, pleasant neighborhoods. In the old manufacturing economy, no one much cared what a city looked like. But today, as Peter Salins notes, "The city's face is its fortune."

In the new information economy, New York will have to compete as never before. The very idea of having to compete is anathema to many New Yorkers. There's something fundamental in John Updike's description of his hero, Blech, who "had the true New Yorker's secret belief that people living anywhere else had to be, in some sense, kidding." But as people facing quality-of-life problems ask themselves, "Do I have to be here?" they will increasingly find that the answer is no.

New York cannot continue to prosper if it remains poorly governed—as it will without a fundamental change in the philosophy of government that has dominated the city for decades. Today the city spends 36 percent of its budget on low-income assistance, and only one-half of one percent on parks. One can understand the reasoning: the former is a serious human problem; the latter seems frivolous, dispensable. But the quality of life is crucial to the city's future. For far too long, the city government has used the pressing crises of the moment—and there is never a shortage of them—as the excuse for not dealing with these fundamental problems.

Of course, no one comes to New York to be well-governed; no one comes to New York to be governed at all. This is the electric city, the city of energy and anarchy and greatness, the place where rule-breakers often rise to the top. Yet the sense of order that has always underlain the chaos seems to be eroding, and restoring it is the city government's most important responsibility. New York's future depends on it. ■

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South Bronx Renaissance

The Rebirth of P.S. 67

Kay S. Hymowitz

Principal Jeffrey Litt turned around a failing South Bronx elementary school, through a combination of energy, commitment, and a rigorous curriculum known as Core Knowledge.

From the outside, P.S. 67 in the South Bronx looks like a bitter parody of America's mythic little red schoolhouse. The four-story brick building, barred and begrimed, sits alongside an empty lot strewn with plastic bags, foul rags, and weirdly contorted metal refuse and in front of a vacant "playground" whose concrete surface must be cleared of crack vials periodically so children can improvise their games. Across the street is the boarded-up Happy Land Social Club, where a disastrous flash fire killed 87 people in 1990.

But inside, P.S. 67, known as the Mohegan School, is a secure and buzzing oasis for just under a thousand students between 4 and 14 years old. The clean, recently painted walls, busily decorated with student artwork along spacious, orderly hallways, reflect the kind of grassroots leadership that has burnished public education here and there in many American cities. But the Mohegan School is more than that. The children are all black and Hispanic, all poor enough to qualify for a government-provided lunch, many from foster homes, shelters, and broken families—in short, the kind of kids common opinion would pronounce virtually ineducable. But they are learning: the Pyramids, cell structure, Beethoven. Islam, the French Revolution, the Underground Railroad. I could go on.

The curriculum of the Mohegan School is the brainchild of E. D. Hirsch, the author of *Cultural Literacy* and head of the Core Knowledge Foundation in Charlottesville, Virginia. Core Knowledge is one of those transparently simple concepts viewed with suspicion by an educational establishment enamored of trendy innovations and highfalutin theories. The principle of Core Knowledge is that in order to become effectively literate, children need the knowledge widely shared by other educated members of their society. "'Content' must receive as much emphasis as 'skill,'" Hirsch says—a distinctly unpopular view these days. Hirsch is not particularly interested in teaching techniques, cognitive processes, the details of testing and evaluation, or much of the psychobabble and arcana that fill the curriculum of education schools—not because none of these matter, but because he wisely believes in leaving instructional methods and psychology to the teacher who must actually put them to use.

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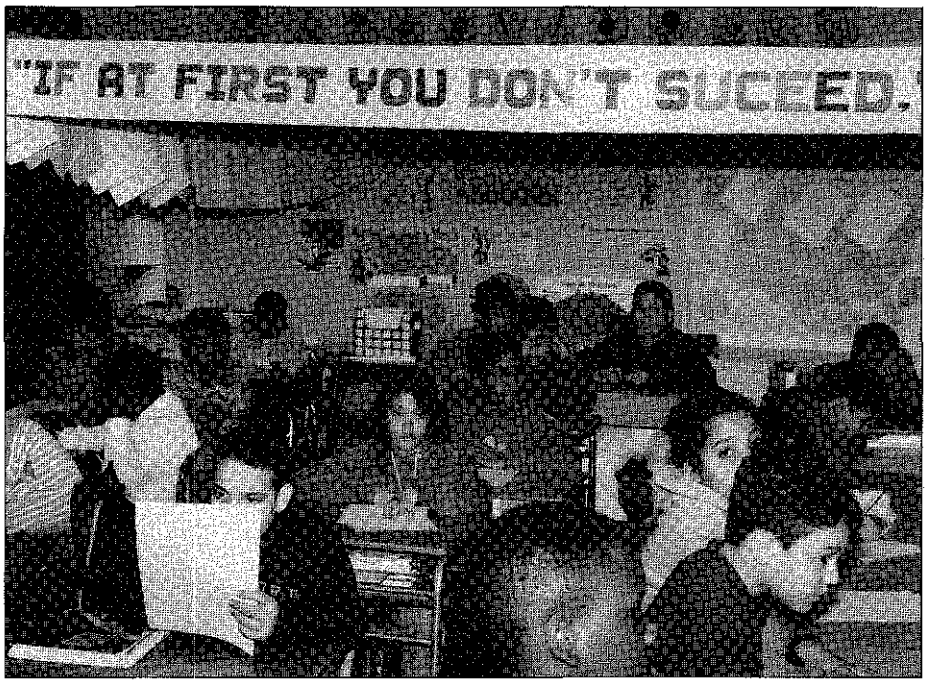

Allison Herzog

Hirsch divides Core Knowledge into the traditional categories of language arts, geography, world civilization, American civilization, fine arts, mathematics, and natural sciences. For each grade from first to sixth, his foundation has assembled a list of names, books, phrases, concepts, and legends of increasing complexity to serve as a guideline for teachers introducing children to what he calls "the whole system of widely shared information and associations." First graders read *Pinocchio*, *The Ugly Duckling*, Aesop's Fables, and world myths; they learn, among other things, familiar sayings like "Don't judge a book by its cover" and the names of American Indian tribes and the world's predominant religions. Fifth graders read *Tom Sawyer*, the *Iliad* and the *Odyssey*, *Dr. Jekyll and Mr. Hyde*, and Chief Joseph's "I Will Fight No More Forever," and learn phrases like "run of the mill" and "on tenterhooks." As the name "cultural literacy" makes clear, Hirsch's program has at its center a profound concern with language.

It may seem a pipe dream to bring an ambitious and rigorous academic program into a South Bronx elementary school, a forgotten territory in the moribund New York City school system. But despite the obstacles, Mohegan's principal, Jeffrey Litt, has been able to focus his innate optimism and obvious affection for children to make dramatic improvements in the school. Litt is a savvy, energetic veteran of the school bureaucracy; under his direction, there appears nothing overly romantic about the project. On the contrary, according to Litt, Core Knowledge offers precisely the discipline and concrete, attainable goals that his kids sorely need.

Up from the Ashes

Until several years ago, Mohegan reflected the miserable fortunes of its surroundings. The local neighborhood, encompassing East Tremont and parts of West Farms and Hunts Point, was once a solid, working-class community. East Tremont Avenue, the main commercial strip which cuts across the area a block away from the school, bustled with restaurants and shops. A fifth-grade teacher at Mohegan who grew up nearby remembers walking the avenue in the evening, window-shopping with her family, perusing the unbarred storefronts.

But in the late 1970s and throughout the 1980s, the area suffered a terrible decline. Apartment houses burned down or were boarded up—transformed, often it seemed overnight, from modest family homes into havens for drug dealers, addicts, and sometimes even decomposing bodies. Violent crime increased to barbaric levels. The day

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before Litt arrived in 1988, a teacher dismissing her students was wounded when she was caught in a drug shoot-out at the entrance to the school.

The 1980s were the "Dark Ages" at P.S. 67, according to Maria Alba, who teaches English as a Second Language. The Board of Education shamelessly left the school to rot along with its surroundings. After her first day at the school in 1978, Alba recalls, she went home and cried. Windows were broken; the roof leaked; the torn and saw-toothed chain-link fence around the school "guarded" not a playground, but a cratered plot of asphalt. After a fire destroyed a classroom, it was left, like many buildings in the neighborhood, in its charred state. The once well-equipped brick building reeked.

Teachers and students alike were demoralized, not merely by the decrepitude of the building and the indifference of some of the many principals who came and went during those years, but also by the instability itself. The District 12 board told teachers to use a different set of textbooks almost every year, determined, it seems, largely by the size of kickbacks district employees were paid by textbook distributors. Children whose troubled family lives and decaying neighborhood taught them daily lessons in chaos, confusion, and indifference received an intensive education in the same values when they went to school. It was not unusual for 15 teachers to be absent on a given day. Things were so bad during the tenure of one particularly inept principal that 150 parents asked for transfers out of the school. During the two years after that principal was removed, P.S. 67 students were under the supervision of 5 different acting principals and 11 acting assistant principals. One of the short-lived principals, who left his position after a heart attack, wrote the district to complain that the school had no pencils, chalk, or textbooks. (Rumor had it that supplies were going out of the district office, to locations unknown, as soon as they came in.) Amidst this chaos, it became easy to use the school as a dumping ground for troublemakers, whether violent, truant, emotionally disturbed, or just plain academically hopeless. The district board finally noticed the monster it had helped create and, with its usual constructive concern, considered closing the school down.

Instead, the board appointed Litt as the new principal on June 1, 1988, three weeks before the end of the school year. He arrived to find a new assistant principal he had never met and a crowd of TV reporters digging up background information on the shooting the day before. Fortunately, Litt, a man with a self-confessed stubborn streak, knew what he was up against; he had served as an assistant superintendent in District 12 several years earlier.

His first task was to restore the building. He read the riot act to the custodian, and they began putting together a recognizable school piece by piece. They peeled off ancient, graffiti-covered wallpaper, fixed the bathrooms, and opened the long-forgotten library, which had been used for storage for the previous ten years.

Mohegan's principal, Jeffrey Litt, has been able to focus his innate optimism to make dramatic improvements in the school

"Sixty-seven is closed forever. We are the Mohegan School," Litt announced to his staff one day in 1989. He knew the importance of instilling a sense of shared spirit and identity. Mohegan is the name of the avenue running alongside the school, which, legend has it, had graced the building 92 years earlier when it first opened.

He also began looking for a way to infuse new academic life. Skeptical of the typical bureaucratic admiration for degrees and seniority, he bypassed the Board of Education and recruited teachers with "heart" directly from colleges. He managed to turn over three-fourths of his staff within two years. He finagled 15 Lehman College scholarships so the novices could earn master's degrees. By 1991, he

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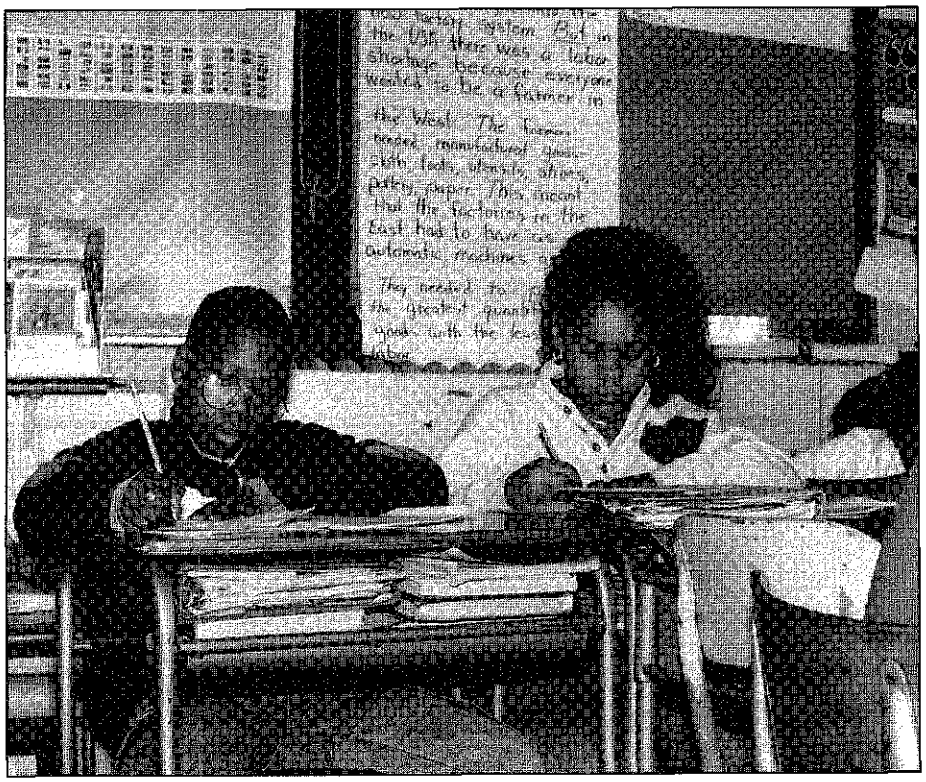
had the building spruced up, he had a friendly school name, and he had a promising staff of teachers, 90 percent of them minority. What he didn't have was a clear academic program.

Serendipitously, in the spring of that year, Litt attended a roundtable with Hirsch, sponsored by the Manhattan Institute's Center for Educational Innovation. Hirsch explained the theory behind Core Knowledge, while Connie Jones, principal of the Three Oaks School in Fort Myers, Florida—the first school in the country to make a full commitment to the Core Knowledge sequence—described its practice. Litt was galvanized. The next day, Jones visited Mohegan with several administrators from her district. In turn, Litt, two of his teachers, and the president of the school's Parents Association flew to Fort Myers to see the program in action. He immediately began plans to divide the school into five mini-academies. One of them, the Renaissance Academy, would pilot the Core Knowledge program.

Litt had no textbooks or even photocopied materials and no teachers trained in Core Knowledge. One of the Florida administrators who had visited the Bronx expressed his skepticism about the viability of a Core Knowledge curriculum in a school with Mohegan's population of students. But Litt was undeterred. A group of teachers met over the summer to develop a curriculum cobbled together out of Hirsch's sequence, the subjects mandated by New York City and State, and the Hispanic and African-American history they wished to emphasize for their students. The teachers of the seven classes, at least one for each grade, were assigned classrooms on the same floor so they could meet together, brainstorm, and share materials. Their enthusiasm was contagious; nine additional classes were set up in February. As word got around, more teachers requested transfer into the Renaissance Academy until September 1992, when the entire school was given over to it, including even bilingual and special education classes.



Allison Horton

Overcoming Planned Ignorance

It is hardly news that most New York City public school children, like public school children across the country, fail to learn many of the basic facts about history, geography, science, and politics on which Core Knowledge focuses. What may come as a surprise, however, is that this failure is not the result of sloppy, ineffective teaching, but of careful, bureaucratic planning. For the most part, American school curricula are now orga-

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nized not around knowledge but around "skills" and "concepts." In Brooklyn's District 15, where my own children have gone to school, the *Parent Guide to the Early Childhood Curriculum* specifies that a first grader is supposed to learn the following about geography: "Places can be located on maps. . . . The globe is a representation of the earth. . . . Location and direction of an object can be stated as relative to some other object." To this end, children are frequently assigned homework making maps of their streets, neighborhoods, or homes.

At Mohegan, however, Hirsch's curriculum ensures that a first grader will learn the names of continents, oceans, important nations and world civilizations, directions, and the equator. "My kids do not go home and draw a map of their own apartment," Litt says. "What my first graders are learning, fourth graders are learning elsewhere, if at all." It seems safe to assume that a child who can identify continents and oceans on a globe has managed to absorb all three of the District 15 concepts to boot.

It's worth asking, then, why so many contemporary educators look upon a curriculum like Core Knowledge with suspicion. For the most part, the education establishment, grounded in progressive theories of education and childhood, believes that a curriculum must be centered on the child rather than the outside world. By arousing children's natural interests and native abilities, the reasoning goes, the teacher helps children become active participants in their education. "What is crucial," writes Herbert Kohl, the author of numerous books on teaching and one of the more compelling contemporary exponents of this sort of idea, "is the ability to observe and discover students' skills and needs, and build a learning environment that grows from them and does not violate them." The actual content of the material under study is secondary; as long as it can charm the student and stimulate mental involvement, it will do the job. "If students are interested in paper airplanes," Kohl asserts, "it is more sensible to build a unit around flying than to ban them and assume police functions." Standardized, information-based curricula are seen as conforming to what another theorist has called "the banking concept of education," wherein the teacher deposits information into passive students. Kohl, who is highly critical of Hirsch, argues that virtually all structured curricula encourage teachers to become inflexible, deaf to the vitality and individuality of their charges.

"Sixty-seven is closed forever. We are the Mohegan School," Litt announced to his staff. He knew the importance of instilling a sense of shared spirit and identity

Several of these points can be answered by a casual visit to the Mohegan School. First, Litt has introduced an Individualized Education Plan; teachers meet on Saturday mornings to develop a particularized program to adapt to the learning style of each child. Second, there is a great deal of flexibility allowed within the curriculum. Hirsch's sequence is a guideline, intended to cover 50 percent of class time, and says nothing about the method of presentation. As long as they are teaching the required content, teachers are free to use plays, videotapes, cooperative learning, art and writing projects, and debates as they see fit. Third, concerns about passive, indifferent students seem to assume that children will always respond to a curriculum as if it were an ill-tasting medicine. Perhaps this is true with some dull or poorly presented plans. But teachers at Mohegan talk excitedly about how often their students' curiosity has been piqued, over the most unexpected subjects. A number of them expressed amazement at the pleasure taken by impoverished children in the paintings of van Gogh and Picasso. Evidently, in the right environment, kids can find the Pyramids or modern art as meaningful as their own apartments or paper airplanes.

Another criticism is that Hirsch's idea of literacy is facile, that it "elevates superficial acquaintance

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with words to the status of knowledge," as Kohl has put it. This requires a more careful answer, for it unwittingly reveals a confusion prevalent in American education today. Hirsch does not believe that literacy consists solely in acquiring information, but that information is a necessary condition. The neat distinction between rote learning and deep understanding so fervently held by many educators is false and easily belied. Take this example given in *Cultural Literacy*, from an unexceptional article in the *Washington Post*:

> A federal appeals panel today upheld an order barring foreclosure on a Missouri farm, saying that U.S. Agriculture Secretary John R. Block has reneged on his responsibilities to some debt-ridden farmers. The appeals panel directed the USDA to create a system of processing loan deferments and of publicizing them as it said Congress had intended.

In order to achieve a genuine understanding of this passage, Hirsch points out, a reader needs to know, if only vaguely, the structure of the American court system and the relationship between the executive and judicial branches of government. It would also help to know where Missouri is and what foreclosure is. In other words, we need a great deal of general background information even to understand a simple article in a "family" newspaper.

At Mohegan, part of the excitement for many teachers has been working at ways to make the new curriculum their own by finding connections around themes

The continuum between factual information and real understanding is in constant evidence at the Mohegan School. For example, I observed a musical play about the Constitutional Convention. Fourth graders, neatly outfitted in white shirts and dark pants and skirts, the actors in powdered wigs and the chorus in red, white, and blue cordons, dramatized and sang about the events leading to the plan for the two houses of Congress. By enacting the debate between the smaller colonies, holding out for a vote by state, and the larger colonies, demanding a vote determined by size, the actual details like the names of the colonies, their sizes, and their locations inspired deeper understanding.

It is true that without talented, dedicated teachers, an information-based curriculum could be an invitation to colorless, mechanical teaching, not to mention incoherent, scattered knowledge. But at Mohegan, part of the excitement for many teachers has been working at ways to make the new curriculum their own by finding connections around themes. Some, aspiring to give their students a sense of historical continuity, have organized their subjects around historical periods. Evelyn Hernandez, whose quiet fascination with material that is largely new to her surely permeates the classroom, spent last September guiding her fifth graders through the Renaissance. Its history, which includes the great explorers, also suggested lessons in geography. Its artists led to classes in science; she used da Vinci's inventions as a means to bring in concepts like force and speed. Renaissance writers were also a rich source of related material; her class read an abridged version of Shakespeare's *Julius Caesar*, which both recalled the children's previous study of the Roman period and, in a perfect example of "cultural literacy," introduced phrases such as "Et tu, Brute?" and "Friends, Romans, countrymen," which the children are likely to encounter again.

Thus, the children become aware that the dustbin of history is rich with hidden nuggets of meaning. "History repeats itself," Hernandez often tells her students, and they have begun to understand what she means. Having read about World War I, another teacher noted, they have become more attentive to the current war in the Balkans. Having read about Stalin, Mussolini, and Caesar,

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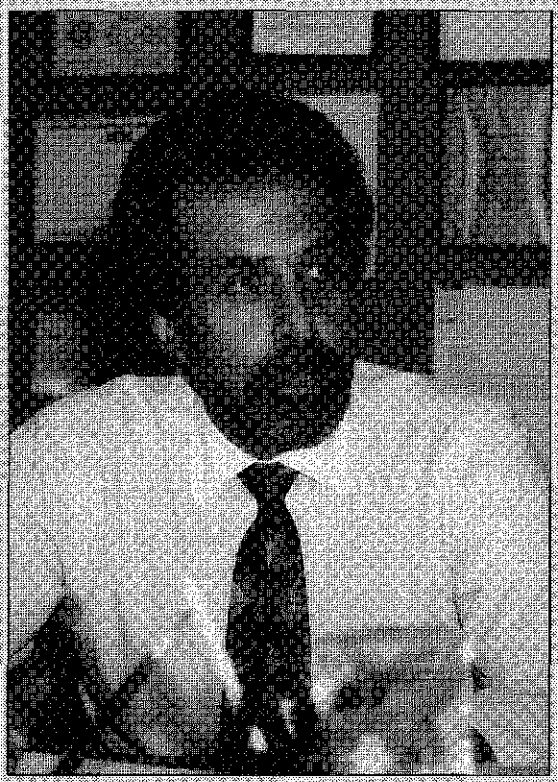
Great Expectations

Jeffrey Litt's success at the Mohegan school confounds the conventional view that educating inner-city youngsters is almost an exercise in futility. Typically, Litt says, schools offer little more than remedial education. "The children are given very low expectations," he says. "They are inundated with simple mathematics; they're given 'Dick and Jane' readers. There is very little higher-order thinking and almost no writing involved."

Such an approach, Litt argues, cheats inner-city youngsters out of the opportunity to become successful, productive members of society—a challenge he believes they are well able to meet. "We have shown everyone that with a rigorous, highly structured curriculum, which is relevant and meaningful to the kids and the teachers, the children will excel."

It is crucially important, Litt says, to reach children at an early age. "It's like building a house—you must have a strong foundation, or no matter what you put into the house later on, it's going to crumble. If youngsters are expected to grasp the information required to be successful in the world today, they have to be exposed to a rigorous curriculum at a very early age. One of the reasons other countries are surpassing the United States in technology is that we really don't hold our kids accountable for what they're supposed to learn."

Mohegan students are surpassing their peers to such an extent that Litt, worried over how they would fare in typical city junior high schools, expanded his school to the middle grades. "The junior high that they were scheduled to go to was loaded with gangs and violence—and my kids had a body of knowledge that would not blend with the other students with whom they would be grouped. They would be the nerd in the class, if you will. They have an intense understanding of chemistry, have been involved in higher-level mathematics, and have studied great literature. If my kids were put in a junior high school where the youngsters sitting next to them were struggling, they would only become bored and frustrated, and perhaps lose what they've already acquired."



Jeffrey Litt: "We have shown everyone that with a rigorous curriculum, the children will excel."

In the middle grades, Mohegan students participate in one of several work-study programs. In the most popular, Health and Medical Careers, they work one day a week at St. Barnabas Hospital under the supervision of doctors, nurses, and their teacher. They work in various departments of the hospital: radiology for six weeks, say, followed by nutrition and then pediatrics.

Litt beams with optimism about his students' potential. "You get out of a child what you put into the child," he says. "I always say that maybe, just maybe, one of the kids in the Health and Medical Careers program is going to find the cure for cancer. Maybe it's going to be one of my kids. Wouldn't it be a shame if one of my kids has that potential and I never find out because I didn't expose him or her to a curriculum that made them think, work hard, and use their own creativity?"

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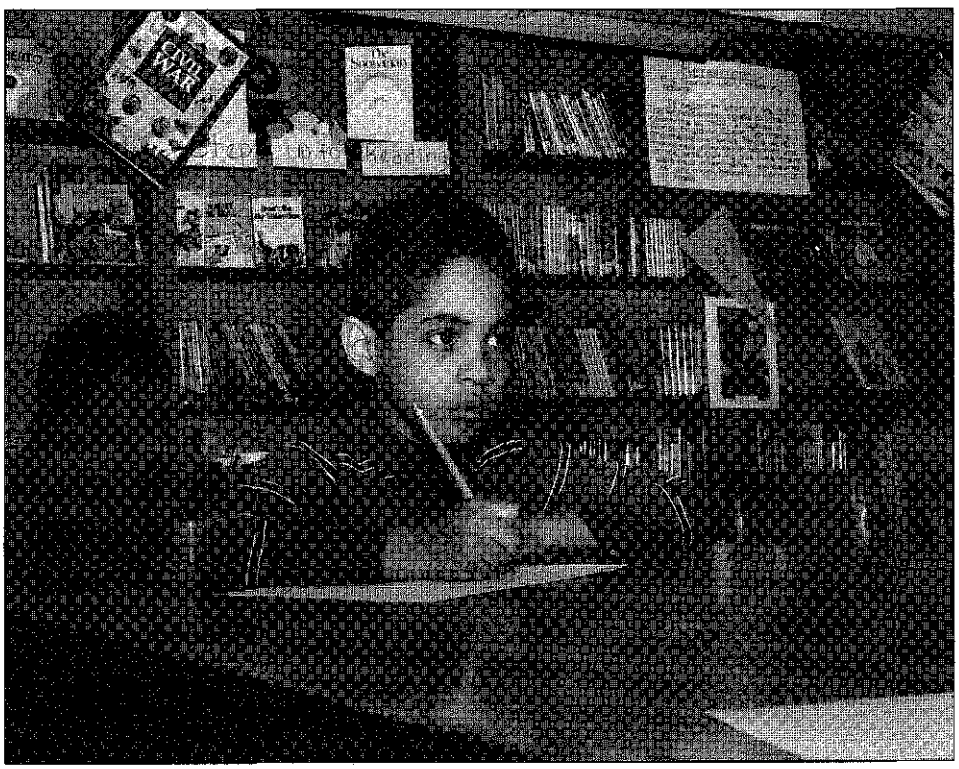
they debate dictatorship. Having been read *A Christmas Carol,* some fifth graders were excited to come upon a newspaper headline about a "Scrooge landlord" and an article about a "Dickensian childhood." These phrases were no longer merely meaningless noise from the alien and forbidding outside world—they offered the means to understand that world.

In this light, the most common objection to Hirsch's program—that it is elitist and Eurocentric—seems woefully misguided. Cultural literacy has often been mistakenly seen as an attempt to turn children into stuffy little traditionalists who can ape the dead white truisms of the past. Actually Hirsch's approach to the European past is more utilitarian than reverent. When the Core Knowledge sequence includes an everyday saying like "If at first you don't succeed, try, try again"—to give one example that troubled Herbert Kohl—it is not intended as prescriptive advice, but merely as part of a common, educated vocabulary. Indeed, Hirsch contends that it is the essence of democratic education to give disadvantaged children the information to which many middle-class students have automatic access. In a sense, his goals are more modest than his critics have realized. Unlike most prominent American educators of the past century, he is not seeking to shape a utopian world, but merely to make children effectively literate, improving their chances at a good life and, perhaps, at improving the world.

Moreover, cultural literacy today requires multicultural information, which abounds in Hirsch's curriculum. Children in any Core Knowledge school will know about Islam, Shintoism, Hinduism, Egyptian civilization, American slavery, Reconstruction, and so forth. And because Hirsch's curriculum is meant to take up only half the school's time, teachers have ample opportunity to include subjects that will be of special interest to their students. At the Three Oak School in the Gulf Coast city of Fort Myers, students study the sea in every grade. At Mohegan, children spend substantial time on Hispanic and black history. During each assembly there is a color guard holding an American, Puerto Rican, and African flag, and the children sing the Star-Spangled Banner, the African-American anthem "Lift Every Voice and Sing," and, in Spanish, the Puerto Rican anthem "La Borinqueña."



Allison Hertog

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In a first-grade class I visited, Tracey Torres, who orchestrates her restless youngsters with the cool, controlled elegance of a bandleader, explained to the children the three different ethnic groups of Puerto Rico: the Taino Indians, Spaniards, and Africans. She played music and asked the children to identify the instrument: maracas, guitar, and drums, each reflecting a different strand of ethnic heritage. These young children were receiving something more than the standard multicultural fare, designed to pump up their self-esteem; they were getting a message that, if they are lucky, will be repeated many times in their education: that civilization, as Jacques Barzun has put it, is "a collective piece of work."

Beating the Odds

For all these successes, there remain immense obstacles at Mohegan. Most disturbing is the brutality of the lives of many of its children; the school has the highest number of child-abuse reports in the district. Litt has introduced several programs to ensure at least some children maximum time within the safety of the building. A hundred kids stay until 6 P.M. every day in a city-funded latchkey program. Another extended day program provides remedial attention to about 150 children. A Police Athletic League group meets several nights a week until 9 P.M. But only so much can be done to protect the children from the chaos without.

Mohegan suffers from an enormous "mobility rate": 47 percent of its students move to or arrive from another school every year. Though reading scores were up by an impressive 13 percent in 1992, the high student turnover makes it difficult to interpret such numbers. And teachers still complain about shortages of material, though this problem has been mitigated by grants from the Manhattan Institute.

Then there is the New York City Board of Education. In 1992 the Bush administration honored Mohegan as both a Break the Mold School and one of the Thousand Points of Light; it has been the subject of numerous national television programs and magazine articles. But 110 Livingston Street appears not to know Mohegan exists—literally, since according to the bureaucracy it is still P.S. 67. Only one low-level administrator from the Office of Curriculum and Instruction has ever come to observe the school, and no one from the board has spread the word of Mohegan's innovations to other educators.

110 Livingston Street appears not to know Mohegan exists—literally, since according to the bureaucracy it is still P.S. 67

Nevertheless, Mohegan teachers have found in Hirsch's curriculum and Litt's leadership a way to keep up their spirits. The staff has achieved the sense of shared mission so integral to the life of any effective school. And Litt continues to expand his efforts. Fearing that violence and anonymity would envelop his graduates as they moved on to middle and high schools with thousands of students, Litt has already extended Mohegan to the eighth grade. He has plans for a high school next to the existing building, to be funded in part by private foundations. Litt's efforts prove once again that the only way to succeed within the educational bureaucracy is to work around it, putting aside fashionable educationalist orthodoxies in favor of a no-nonsense approach to learning. ■

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The New Community Activism

Social Justice Comes Full Circle

Heather Mac Donald

New York's most progressive neighborhoods have been devastated by the proliferation of homeless shelters, drug-treatment centers, and facilities for the mentally ill. But a new wave of community activists is fighting to take back the streets.

The political winds are shifting in New York City's most progressive neighborhoods. On a freezing Sunday in November 1992, a community activist named Joe Brown electrified a crowd of protesters gathered at West End Avenue and 106th Street with the declaration: "Something died recently on the Upper West Side. We are today announcing the passing of brain-dead liberalism." Across the city another community activist, Howard Hemsley, declares that "you have to be a masochist to be a liberal on the Lower East Side." Each of these heresies was occasioned by one of the biggest crises facing New York City's neighborhoods: the battle over the siting of social-service facilities.

For years, the city and state have sited homeless shelters, drug-treatment centers, and programs for the mentally ill in residential communities, on the questionable theory that being "in the community" is therapeutic for the seriously disturbed. The practice certainly was not therapeutic for the communities involved. Along with thousands of dysfunctional people came mounting levels of crime and disorder. Progressive New Yorkers accepted in silence the growing anarchy in their neighborhoods, for fear of "blaming the victim." But the old taboos are weakening; what has been unspeakable is now being said without apology: that tolerance for the breakdown of public order under the banner of compassion and civil liberties is threatening the very survival of some New York communities. Brown and Hemsley are among a new wave of community rebels who represent a revolution in the making. Citizens are rising to demand that the government stop dumping social problems onto their streets and start demonstrating a commonsense concern with the quality of life in the city's neighborhoods.

Housing Works

An empty lot on East 7th Street between avenues B and C is at the epicenter of the Lower East Side's battle over social-service facilities. Most

Research for this article was supported by the Brunie Fund for New York Journalism.

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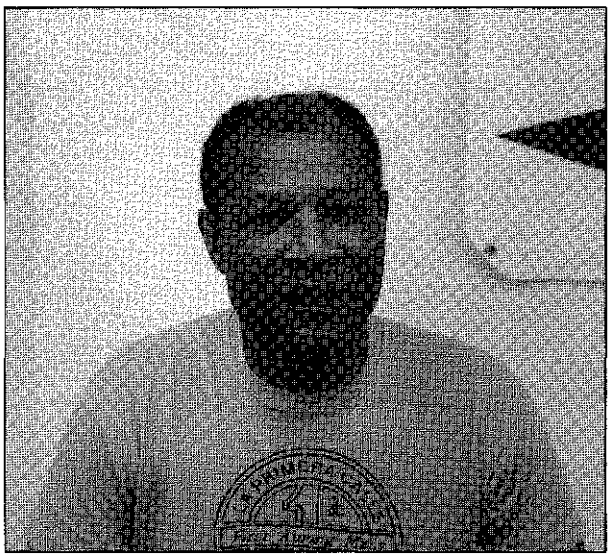
of the residents of this block are low-income families who struggle for a decent life. Drug dealers operate openly out of one building on the block; nearby bodegas also cater to the trade. The surrounding streets are already lined with social-service facilities.

On this beleaguered block sits St. Brigid's School, a parochial elementary school that has been teaching the children of the Lower East Side for 140 years. In the late 1980s the adjacent Tompkins Square Park was taken over by vagrants and anarchists, and the Reverend George Kuhn, pastor of St. Brigid's Church, opened a homeless shelter on weekends in the school's lunchroom. As a result, enrollment dropped from 230 to 175, prompting a warning from the archdiocese that it would close the school if enrollment did not improve within two years.

Yet a strange sort of equilibrium has been reached that allows parents to feel secure about sending their children to St. Brigid's. The anarchists and squatters were cleared from the park in 1991, and, more important, drug dealing on the block does not begin until 5 P.M., after school is over. Today the school has 191 pupils, almost all Hispanic.

But on the empty lot at 186-194 East 7th Street—across the street from St. Brigid's, less than a hundred feet from two playgrounds within Tompkins Square Park, and a block away from a public elementary school—an organization called Housing Works wants to build a new shelter. It would serve one of the most troubled populations imaginable: mentally ill, drug-addicted AIDS patients, most of whom have been homeless, many of whom suffer from tuberculosis.

Housing Works, an offshoot of the self-described "radical queer" organization ACT UP, plans to operate a 36-bed residence and an outpatient program offering health care and social services to somewhere between 60 and 85 people daily. Founded only in 1990, Housing Works has no experience running a residential program on this scale. The organization's proposal describes its clients in the following terms:



LIZ HIRSCH/CITY JOURNAL

Howard Hemsley: "You have to be a masochist to be a liberal on the Lower East Side."

> [They] are not able to function within the structure of residential treatment programs and their multiplicity of needs are often disruptive to the programs' functioning. These clients have experienced chronic substance abuse and mental illness, and the chronicity of need may manifest itself to a greater or lesser extent throughout their participation in the day program.

In other words, these patients have already been discharged from other treatment programs for being violent and disruptive—or, as the proposal soothingly puts it, because of their "multiplicity of needs." And Housing Works fully expects such behavior to continue: "It will be understood that any client, at any time, is at risk of an acute crisis."

What Housing Works intends to do with these violent drug addicts is essentially to let them be. "The program will allow for an extremely high level of client autonomy," says Housing Works' proposal to the state. The organization will not require so much as a promise to remain drug-free; its proposal proudly distinguishes the program from the "overwhelming majority of programs, [which] attempt to maintain a drug-free environment, delib-

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erately excluding chemically dependent applicants who do not give clear and convincing evidence of a commitment to remaining clean and sober."

In most of these programs, drug use is grounds for discharge. Not at Housing Works, which champions a novel method of treatment known as "harm reduction." Harm reduction posits that a nonjudgmental approach to drug addiction can ease those who would otherwise be incorrigible into treatment. Residents who are caught using drugs will merely be told "to leave the common areas" (that is, go to their rooms), while participants in the day program, Housing Works spokesman Jay Blotcher told *Newsday*, will be "escorted off the premises"—cold comfort for the parents who send their children to school nearby. Housing Works director Charles King explains that the shelter's employees will help clients budget their federal disability checks: $100, say, for drugs, another $100 for rent, if applicable, and $25 for food. "The program is successful if the client sticks to his budget," King says. Mothers in the program will be advised to put their young children in a safe place before embarking on a crack binge.

The Lower East Side is in the vanguard of the new community activism

Neighbors are outraged; in their view, Housing Works might as well hang out a sign proclaiming, "Dealers: here are your new customers." "The rights of the neighborhood residents must be given as much consideration and weight as those of individuals who have chosen to live an antisocial existence," declares a manifesto of the East Village Association, a grassroots group that represents two block associations on 7th Street and the Tompkins Square Park Neighborhood Coalition. In April 1993, residents prevailed upon Community Board 3 to rescind its December 1991 approval of the project. The community board's powers are only advisory, however, and the project is sailing through the state review process.

The neighbors who oppose Housing Works are bucking a long political tradition on the Lower East Side—a tradition that champions radical individualism and even anarchism, disparages middle-class values, and reserves particular contempt for "gentrification." In an addendum to its initial, successful proposal to Community Board 3, Housing Works declared: "We believe that our proposed residence will have a positive impact on the neighborhood. We are taking over private property that would undoubtedly otherwise be slated for upscale development." That the group could, without irony, seek *credit* for helping stave off "upscale development" in a community desperate for social and economic stability speaks volumes about the Lower East Side's traditional political climate.

Supporters of the proposed shelter even argue that placing it near a school is a good idea. "They talk about being near a—quote—school," former city councilwoman Miriam Friedlander told me. (Apparently Friedlander does not count parochial schools as real schools.) "But many kids have parents with AIDS, so the project will be a wonderful morale builder." King told residents in 1991 that the facility would "give the children a dose of reality."

But the signs of change are palpable on the Lower East Side. Though she remains active in local politics, Friedlander lost her 1991 reelection bid to community activist Antonio Pagan, a supporter of economically mixed development who is outspoken in the view that the Lower East Side already has far more than its share of treatment facilities. Pagan's victory, the culmination of several years of political activity by local residents and merchants, puts the Lower East Side in the vanguard of the new community activism.

New Attitudes

New Yorkers have long resigned themselves to the notion that public disorder is an inevitable part of urban life. But a combination of factors has made New York's homeless and otherwise dysfunctional population far larger and more dangerous than it

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once was. Beginning in the 1960s and continuing to this day, thousands of patients with serious mental illnesses have been released from New York State hospitals to be cared for in community-based outpatient programs. Their treatment, however, is often ill-supervised; patients fail to take their medication and their condition deteriorates. Crack cocaine has made many of these patients, as well as other marginal individuals, aggressive and violent. And drug-resistant strains of tuberculosis are rampant among the city's homeless, many of whom are particularly vulnerable to TB because they suffer from AIDS.

As social problems have mounted, a certain desperation seems to have set in throughout New York's mammoth social-service bureaucracy. The pace of sitings has quickened, and bureaucrats are busily devising new categories of facilities and new means of financing them that circumvent the already weak provisions for public review. Increasingly, the government is giving money to nonprofit organizations to buy land, so as to avoid land-use restrictions that govern city-owned and -operated facilities. Housing Works, for example, will receive half a million dollars in public funds to purchase a private lot, in an area filled with city-owned land, thus circumventing the lengthy Uniform Land Use Review Procedure. And because the project is classified as permanent housing rather than as a drug-treatment facility, it is exempt from state regulations requiring such facilities to be drug-free.

On the Lower East Side and Upper West Side, the chaos in the streets has become so acute that many residents with impeccable liberal credentials have been forced to rethink their political views. The fight to preserve their communities finds them opposing the social-service providers that once seemed the very symbol of enlightenment and compassion.

Sheryl Harawitz, a 47-year-old resident of the Lower East Side, is typical. She works for the New York City Housing Authority, her husband is a social worker, and her daughter used to work for the Legal Aid Society. "I always thought of myself as a liberal, but no more," Harawitz says. "They have overstepped their rights and gone beyond my tolerance."

The battles Harawitz and her compatriots face will not be easily won. They must overcome the resistance of both government officials and the press, which usually dismiss their efforts with the facile epithet "NIMBYism." Old habits die hard, and many New Yorkers remain committed to an ideology that leaves little room for communities to control deviant behavior.

Despite its aura of altruism and sanctity, New York's social-service sector is a multibillion-dollar industry with powerful political connections

Nor is misguided compassion the only obstacle faced by the new community activists. Despite its aura of altruism and sanctity, New York's social-service sector is a multibillion-dollar industry with a powerful network of political connections. The Housing Works project is being championed by the state Department of Health, which is pushing it through the review process. The State Hospital Review and Planning Council told project opponents from the East Village Association not to bring their supporters to a May 1993 hearing on the project and to prepare no more than five minutes of testimony; the association dutifully sent only three representatives. But when a crowd of ACT UP protesters showed up, all were admitted, and a seemingly endless procession of left-wing priests, former Community Board members, and AIDS patients were allowed to testify windily in support of the project. The council eventually voted unanimously to approve it.

The Housing Works project also exemplifies the financial stake the social-service industry has in such programs. If it is approved, Housing Works will receive $2 million from the state's Homeless

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Lo Hudson Journal

City Councilman Antonio Pagan: "People need to liberate themselves from guilt and say, 'Enough is enough.'"

Housing Assistance Program; it is seeking between $3 million and $5 million in other public funding. In addition, the city's Department of Social Services will pay Housing Works $145 per patient per day for the residential program, and Medicaid will pay $80 to $90 per patient per day for outpatient treatment. Harawitz, recently appointed to Community Board 3 by Pagan, accepted the time-consuming assignment in the belief that by not acting, "we lose the neighborhood by default to people who gain money from the continued cycle of dependence."

A look at recent events on the Lower East Side and Upper West Side illustrates the tenacity of the new community activists, the importance of their cause, and the difficulties they face in fighting for it.

The Lower East Side

In 1959, a fiery band of activists, led by Frances Goldin, joined forces to fight the urban-renewal efforts of Robert Moses, who wanted to "tear everything down from 9th Street to Delancey Street," as Goldin put it. They were the first community group to battle Moses successfully and have set the ideological tone for the Lower East Side ever since.

Today, Goldin is a leader of the Joint Planning Council (JPC), an umbrella organization for left-wing community groups. In the 1970s, when the economy of the Lower East Side collapsed, the nonprofits represented by the JPC became the preeminent political force in the neighborhood. By the mid-1980s, the Lower East Side was largely run by Friedlander, who had been elected to the City Council in 1973; Goldin; Carol Watson, a board member of the left-wing Lower East Side Catholic Area Conference; and Lisa Kaplan, a political appointee in the Housing Authority who formerly worked for the Consumer-Farmer Foundation, an organization that provides bridge loans (in which money is borrowed against a promised government grant) to social-service organizations.

JPC embodies an ideological zeal that often takes extreme forms. Friedlander once opposed the placement of streetlights on 14th Street because she thought they would encourage gentrification. And when the Gap opened a store at Second Avenue and 8th Street in 1988, Goldin said, "We feel like putting a big painted 'X' on the Gap. . . . Every day some new atrocity hits us."

One might wonder how anyone could possibly consider a clothing store an "atrocity" and a facility for mentally ill drug addicts a benefit to the community. The answer, according to Steven Vincent, a reporter for *Art & Auction* and a Pagan appointee to Community Board 3, is that the social-service organizations that dominate the JPC need poverty and social problems to expand their power. The deterioration of the neighborhood was actually beneficial to those with political clout. If the city was seeking a site for, say, a methadone clinic, Friedlander's appointees to the Community Board would solicit its placement in their neighborhood. According to Pagan, 80 percent of Friedlander's appointees had conflicts of interest, sitting on the boards of social-service organizations and rubber-stamping one another's projects.

But in the late 1980s, local residents began organizing to fight the deterioration of their community. One galvanizing event was the ceding of

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Tompkins Square Park to anarchists, with the support of Friedlander and her allies. Another was a proposal by the city to build a shelter for homeless men on 1st Street near the Bowery.

That proposal spurred Howard Hemsley, a 55-year-old word processor and computer whiz, to found a group called Before Another Shelter Tears Us Apart, or BASTA (Spanish for "enough"). There were already two shelters within two blocks of the proposed site; the 3rd Street shelter, which was actually only a processing center for the homeless, had literally turned the neighborhood into a free-fire zone. Almost half of those arrested for drug violations between 14th and Houston streets east of the Bowery gave the shelter as their address.

BASTA's first meetings, Hemsley says, were like a "religious revival service." People were practically in tears to learn that they were not alone in their frustrations and that "churchgoing, upstanding citizens could have such feelings without being closeted little bigots." For years, Hemsley says, social-service advocates had raised the specter of racism to silence community opposition. "When I step into a puddle of [urine], I get mad," Hemsley told BASTA members at an early meeting. "That does not make me a racist."

Today Hemsley is regarded as a political genius on the Lower East Side. Not only did BASTA block the proposed 1st Street shelter, but it also forced the city to shut down the 3rd Street facility and transfer control of the building to the Manhattan Bowery Corporation for a drug and alcohol rehabilitation program. The program is one of the few unqualified successes in community treatment, but only because it imposes strict discipline on its clients and because BASTA fought the city relentlessly for enough money to ensure its success. Ironically, the city now trumpets the program as proof that community treatment is viable, though it is unwilling to commit comparable funding to other projects with a similar degree of regimentation.

During their struggle, Hemsley says, BASTA's members realized that Miriam Friedlander and her allies were the "biggest cause of our problems." In 1991, they formed the Democratic Action Club to recruit a challenger to Friedlander. The club's statement of purpose declared that its members "refuse to glorify poverty: we reject the myth that poverty is somehow 'cool,' 'politically correct,' or a place to hide from adult responsibility. We favor programs whose aim is individual self-sufficiency."

Their candidate was Pagan, who ran a nonprofit housing organization and had led the fight to restore Tompkins Square Park. Pagan set himself sharply apart from the old guard on the Lower East Side. As he told me, "People need to liberate themselves from guilt and reach the point where they can say, 'Enough is enough.'" The campaign against Pagan was unusually vicious. He and members of the Democratic Action Club received death threats. ACT UP picketed outside the home of Pagan's mother; Pagan drew particular ire for opposing the group's agenda since he himself is gay.

Pagan broke the taboo that "liberals can't talk about these things"

In the end, Pagan won by 121 votes, having split the anti-Friedlander vote with two other candidates. In office, he has taken a careful approach to the siting of new social-service facilities, opposing those he believes would further harm the community's quality of life. This moderate stance has triggered charges of "gentrification" and worse. Friedlander, meanwhile, is gearing up to challenge Pagan in the September 1993 primary, in what promises to be an even uglier campaign. Pagan alleges that Housing Works has violated its nonprofit status by campaigning for Friedlander.

Despite the slim margin of Pagan's 1991 victory, Elizabeth Shollenberger, a Democratic district leader, says the election was a watershed because it broke the taboo that "liberals can't talk about these things." Sheryl Harawitz adds: "Anyplace else, a gay Hispanic who believes in the poor having apartments and in mixed development would be considered a far liberal. Here, he's a conservative."

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Liz Hilliard/City Journal

Sheryl Harawitz fought to close down this city-owned crackhouse on East 13th Street.

Nightmare on 13th Street

Harawitz's experiences on her own block, East 13th Street between Second and Third avenues, are emblematic of the obstacles communities face in trying to restore order and safety to their streets. For five years, the single-room-occupancy building at 222 East 13th Street, the smaller of two SROs on the block, was a notorious crackhouse. Stabbings, car thefts, and burglaries occurred on a weekly basis, fires broke out daily, and neighbors who complained to the police were assaulted by the dealers. Harawitz owns a small apartment building next door to 222; because of the odors of trash and human waste from the SRO, it would take her three to four months to fill vacancies in her building. The apartment directly adjacent to 222 remained vacant for two-and-a-half years.

In 1991 the city took the building over as part of its 7A Anti-Abandonment program. But things did not improve. When Harawitz called the program to complain about smoke billowing from the SRO into her apartment, no one would take responsibility for the building. It had 150 code violations when the city assumed control; after the city spent $80,000 to repair the building, there were 250 violations. Meanwhile, the tenants—almost all prostitutes, drug dealers, and addicts—paid no rent.

For years the city had ignored the neighbors' pleas for help. Manhattan Borough President Ruth Messinger told the community that the city needed every SRO it could get. Residents formed a block association, which met with representatives of ten city agencies, including the city's homeless program, Department of Housing Preservation and Development, Human Resources Administration, drug programs, and the Manhattan District Attorney's office; all claimed they could offer no relief.

In September 1992, however, the Department of Housing Preservation and Development evicted the tenants and padlocked the building, intending to make further repairs and reopen the building for legal tenants. But in October, Mobilization for Youth, a city-subsidized legal services group, filed suit to rescind the evictions, stop the repairs, and return seven tenants to the building. The suit also demanded $1 million in damages for each of the plaintiffs. Predictably, Philip Sturges, the lawyer representing the seven tenants, charged the city with racism: "It's no accident that six of our seven clients are minority and all are poor, and the forces against us are mostly white."

Harawitz presented Judge Joan Lobis, who was hearing the case, with some 120 letters from the community begging her not to reopen the building. Lobis refused to read the letters. At the time, HPD Commissioner Felice Michetti told Jack Newfield of the *New York Post*: "The judge is pressuring me to lift the vacate order and move tenants back in and reopen the crackhouse. She hadn't even heard the city's witnesses and evidence."

Eventually six of the seven plaintiffs were placed in permanent housing. (The seventh is in jail.) Mobilization for Youth continues to pursue its $7 million damage suit, charging the city with violating the tenants' constitutional rights. The city, for its part, continues to pay their legal bills through its subsidy to Mobilization for Youth. "We are paying taxes to defend the indefensible," Harawitz says.

The crackhouse remains boarded up, but the modest victory Harawitz and her neighbors have

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won is overshadowed by what they view as an even greater assault on their fragile neighborhood: a planned 14-story apartment building for 96 homeless and low-income families, to be built on a city-owned parking lot at East 13th Street and Third Avenue. The project, to be constructed and operated by Andrew Cuomo's Project HELP with state and city financing, will bring substantial numbers of homeless people—members of a population that Cuomo's own commission found to have extraordinarily high levels of drug abuse and mental illness—into the struggling neighborhood.

Critics charge that the method for transferring the city-owned lot to Project HELP—condemnation by the state Urban Development Corporation and sale for $1.00—represents yet another dodge of zoning and land-use mechanisms. Neighborhood activists estimate the cost per unit at $250,000; at that price, they say, the city could buy all 96 families luxury condominiums in the nearby Zeckendorf Towers. Opponents further question the long-term financial viability of the project and note massive cost overruns in other HELP projects. But Project HELP is extremely well-connected. Cuomo, its founder, is the governor's son and now a high-level official in the federal Department of Housing and Urban Development. Small wonder, then, that the East 13th Street project easily won approval in the City Council—with Pagan casting the lone dissenting vote.

Richard Behar, a writer for *Time* magazine who in 1987 started a citizens' patrol to combat drug dealers on East 13th Street, says Project HELP was the final straw for him. "I lost heart and moved—I couldn't bear it any longer." But rather than flee to the suburbs, Behar decided to stay in Manhattan. His new home, ironically enough, is on the Upper West Side, an area that faces an array of similar problems.

The Upper West Side

Liberal activism is a venerable tradition on the Upper West Side; even today, members of local political clubs are known to erupt spontaneously into chants of "Down with capitalism!" Yet the hottest issue in this neighborhood is an effort to persuade the city to declare a moratorium on new social-service facilities. Residents complain that such facilities, particularly centers for the mentally ill, have turned the northern part of the Upper West Side into an open-air asylum.

Centers for the mentally ill have turned the northern part of the Upper West Side into an open-air asylum

The area north of 90th Street and centered on Broadway is overrun with aggressive panhandlers, vagrants sleeping on doorsteps and park benches, dazed addicts lurching down the sidewalks, and a proliferation of trash and graffiti. Residents trace the neighborhood's deterioration to some eighty social-service facilities between 90th and 110th streets, which serve more than 12,000 homeless, mentally ill, and addicted individuals.

The flagship of this network is the huge Regent Family Services Center, a city-run shelter for homeless families, mostly teenage mothers, at 104th Street and Broadway. The city pays $164,000 a month in rent for what has turned out to be a magnet for crime and drugs. Its residents' problems inevitably spill onto the street, sometimes quite literally. Police advise people in the area to steer clear of the sidewalks around the building because bottles, lamps, and dresser drawers routinely come flying out the windows. The Regent generates five hundred to six hundred calls a year to the 24th Precinct. Jacqui Carter, a political activist who lives across the street from the Regent and is now running for Democratic district leader, was once beaten up by a pregnant Regent resident.

The elderly in the nearby Frederick Douglass Houses dare to venture out of their homes only in the morning when children are on their way to school. As a "solution," the police intend to estab-

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Lehr Hilliard/Ny Journal

Upper West Side activist Lisa Lehr discusses neighborhood security with a local doorman.

lish a "safe corridor" for senior citizens on Friday, the day Social Security checks arrive, so they can go to the supermarket without being mugged.

For local merchants, new social-service facilities mean not only increasing levels of theft and disorder but also higher rents. When the state or city takes over a building for a planned facility, it typically pays far above market rate in rent or purchase price. Hudson View Copy closed down because it faced a tripling of its rent after the state announced plans for a residence for the mentally ill, run by Volunteers of America, in the building at 100th Street and Broadway that housed the copy store.

Residents on block after block are organizing to take back their community. Ilena Lobet formed a block association on West 101st Street in January 1993 out of anger at having to kick crack vials from her doorstep every morning. Such associations are now represented by the West 90s/West 100s Neighborhood Coalition, an umbrella organization of nearly every block association between 90th and 110th streets. The coalition, with a potential constituency of 100,000, has focused on two main goals: winning a moratorium on the further placement of social-service facilities in the northern area of the Community Board 7 district, and stopping the Volunteers of America (VOA) facility planned for West 100th and Broadway. Another group, Neighborhood Survival, has joined the fight against the VOA facility.

That facility belongs to a new category, "SRO/Community Residence," recently devised by the State Office of Mental Health. It has a much lower staffing requirement than other community facilities for the mentally ill. The state plans to site ninety SRO/Community Residences in New York City during the next year, but thus far only one, in Brooklyn, has opened.

The VOA facility on the Upper West Side will serve 72 mentally ill homeless people, at least half addicted to alcohol or drugs. This is three times as many patients as are in a normal psychiatric ward, but VOA will have only one psychiatrist on duty, for a mere ten hours a week, along with a substance-abuse counselor during normal business hours. At night and on weekends, the residence will be unstaffed except for a desk clerk. Patients will not be required to take medication, nor will any curfew or other rules be imposed.

The community is terrified at the prospect of a TB outbreak. Many of the clients will be referred from shelters run by VOA, including one on Ward's Island where half the clients have the disease. VOA will neither screen for TB nor require that residents who have the disease be treated for it.

This laissez-faire approach is totally inappropriate for a severely disturbed population that needs strict supervision. "The Office of Mental Health is allowing not-for-profits to operate these facilities as if they were apartment houses. They are allowing the residents all the rights of rent-stabilized tenants," says Toni Rachiele, a copy editor and founder of Neighborhood Survival who lives on West 100th Street.

Frustration on the Upper West Side is at a boiling point; citizens feel that no one is listening to them. As on the Lower East Side during Friedlander's term, Community Board 7 is stacked with members who have a direct interest in the social-service industry. Eighty-seven percent of

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Borough President Messinger's appointees make their living on SROs and shelters as architects, service providers, suppliers, or purchasing agents. Community activist Lisa Lehr says the board is "incestuous"; members who do not go along with the party line on siting facilities are not reappointed.

Though the local City Council members are generally sympathetic to the community's concerns, none has emerged as a forceful champion like Pagan. And State Assemblyman Ed Sullivan has strongly opposed his constituents' efforts to halt further sitings. "People have difficulties coming to grips with drug dealers and panhandlers, but there is an illusory connection to facilities," he told me. He insists, for example, that there has been "not a single problem" associated with a methadone clinic on 104th Street, but neglects to mention that the police are not allowed to note in their records whether a suspect is a methadone user. Sullivan has welcomed virtually every social-service facility ever proposed for his district, arguing that he has to "vote his conscience." Sullivan, however, lives in the gentrified neighborhood around Columbia University, a comfortable distance from most of the facilities he supports.

The Myth of Community Treatment

Many analysts and political leaders argue that communities are unfairly presenting government with a "dual challenge": on the one hand, they want the homeless off the streets; on the other, they resist the facilities necessary to accomplish that goal. But communities have a different story to tell. Facilities for mental patients, drug addicts, and the homeless—except for those few that keep their clients under strict supervision—invariably bring drug dealing, disorder, and violent crime into their neighborhoods.

"There's sometimes an assumption that those needing assistance are 'outsiders,'" Messinger wrote in a recent article defending the proliferation of social-service facilities in residential neighborhoods. That assumption turns out to be accurate. Because federal antidiscrimination laws prohibit programs from excluding clients on the basis of geography, every facility almost inevitably attracts additional dysfunctional people from outside the community. Participants in day programs rarely leave the area at night, and even the most successful drug-treatment programs produce a certain number of dropouts who will rejoin the streets. The rate of recovery from addiction is no more than 30 percent in the best programs. "One element underlying some communities' reaction to facilities has less to do with government ineptitude than it does with fear," Messinger wrote. But that fear is perfectly rational.

When social-service advocates talk of "community," they are using a code word that has absolutely no reference to real communities

The proliferation of community-service facilities in residential neighborhoods is based on the notion that being "in the community" is therapeutic for mental patients or drug addicts—an idea that provided the impetus for the deinstitutionalization movement in the 1960s. But communities are filled with bad influences as well as good ones, and the few successful drug-treatment programs are those, like the Manhattan Bowery Corporation, that isolate their clients from the temptations of the streets. Nor does the theory of community treatment have much connection with the reality of less regimented facilities, whose clients lead a marginal existence, wholly cut off from the normal life of the neighborhood. Harawitz, who volunteers in a soup kitchen during the weekend, often brings leftover food to the remaining SRO on her block, which serves as a welfare hotel. She has no idea whether the food gets distributed, for she never gets beyond the guard at the door. The building is "totally isolated," she says. "The only people we see are the ones selling crack."

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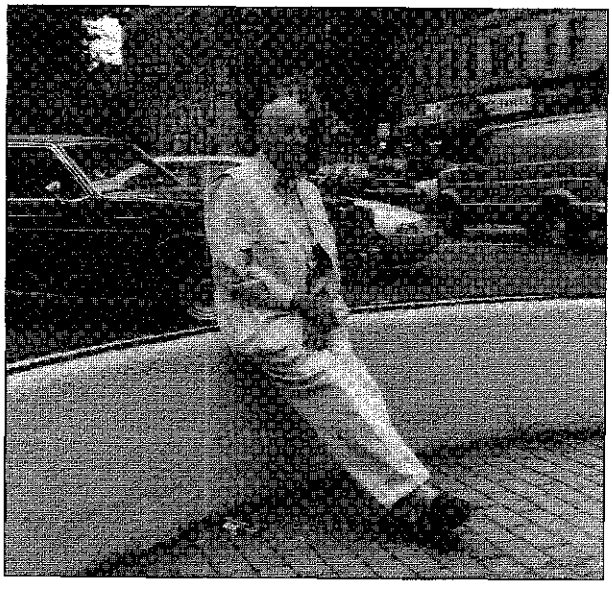

Liz Hilland/City Journal

Herbert Gordon rejects the social-service industry's definition of "community."

Local activists increasingly believe that when social-service advocates talk of "community," they are using a code word that has absolutely no reference to the web of economic and social ties that make up real communities. Instead, the term is used to evoke a set of political values—a preemptive strike against would-be opponents who regard themselves as progressive—and, perhaps more important, to mask the self-interest of the social-service industry. New York City alone spends some $10 billion a year on social services, $3 billion of which is paid to nonprofits. The state pays a comparable amount to private social-service providers. As Charles Gans, a wire-service reporter who lives on Riverside Drive, points out, New York City's social-services complex bears an uncanny resemblance to the military-industrial complex, with its revolving doors between government and suppliers, uncompetitive contracting, and vast waste.

"Those who want to site more and more facilities use 'community' to make you think you must have the facility," declared writer Herbert Gordon at a June 1993 meeting of Neighborhood Survival. "Ask them: Who is the 'community'? Maybe it's time we stop accepting their definitions." Real communities have been almost completely alienated from the process by which their fate is decided.

Although the "fair share" provision of the 1989 New York City charter was intended to involve citizens early on in the planning of new social-service facilities and to prevent new facilities from being sited in neighborhoods that are already overburdened, in practice it has done neither. Communities complain that they do not learn about a planned project until it is well under way and that they must then struggle to extract details about the facility from government agencies and social-service providers.

Residents' efforts to prove that their neighborhoods are overburdened are also stymied by a dearth of information. The siting of facilities has proceeded at such a helter-skelter pace that no one, least of all the government, knows what is already out there. Information is scattered across agencies that maintain at best partial listings of particular types of facilities. The West 90s/West 100s Neighborhood Coalition is creating the first comprehensive map of Upper West Side social-service facilities to make its case under fair-share. To prepare the map, Elisabeth Martin had to spend two months walking each block north of 90th Street, entering buildings and talking to residents of each building to determine which ones house clients placed by government social-service agencies, since the information was not available from the agencies themselves.

The new charter's stipulation that facilities be evenly distributed, moreover, has no real teeth; it is merely a guideline for decision-making and applies only to city facilities with certain types of leases. State and private facilities are not included at all. And even if fair-share could be made to work effectively, its goal of spreading social-service facilities evenly throughout the city is a dubious one. If a community is largely free of social problems, it is perverse for the city to demand that it accept, as the price of "fairness," the disruption and decay that accompany such facilities. Nor will stable neighborhoods accept new facilities any more readily than troubled ones will—as the

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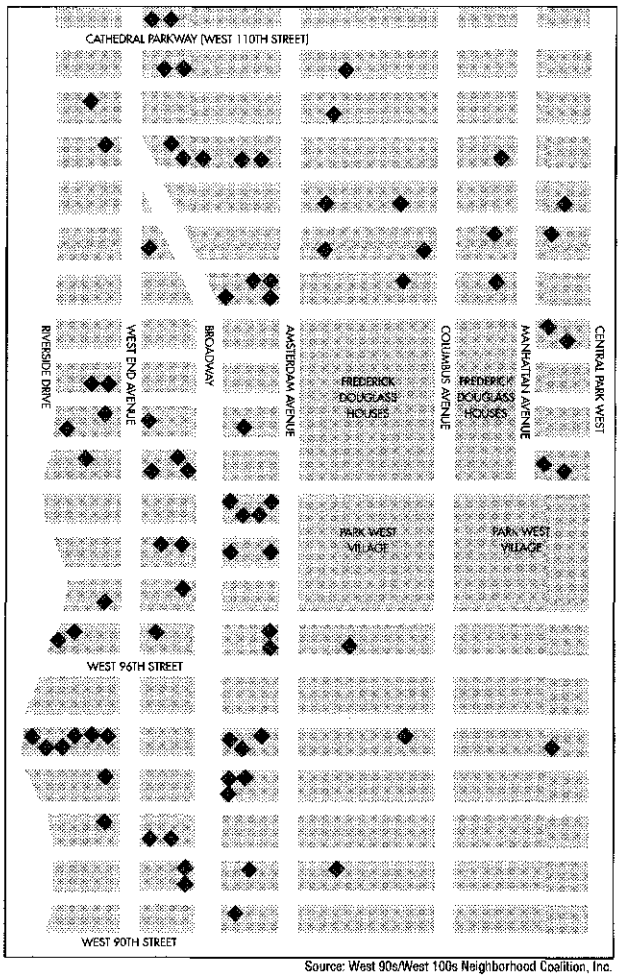
Dinkins administration discovered to its dismay when it tried to scatter 24 homeless shelters around the five boroughs, many in middle-class residential communities.

Rather than pit neighborhood against neighborhood, New York's leaders should pursue policies aimed at relieving the burden on all communities. Placing seriously disturbed individuals in the heart of cities and allowing them maximum autonomy appears to do them little good and is devastating to the affected neighborhoods. The government, therefore, should declare a citywide moratorium on all new social-service facilities that do not impose strict controls on their clients' behavior; existing facilities that lack such a disciplinary regime should eventually be shut down.

New York City and State must abandon their reflexive adherence to the notion of community treatment. Martin Begun, chairman of the Community Services Board of the Department of Mental Health, Mental Retardation, and Alcoholism Services, has recommended establishing "total treatment centers" for drug addicts and the mentally ill on the site of closed military facilities. And instead of closing upstate mental hospitals, the state should be transferring patients from the city to them. In many cases these well-supervised hospitals are the economic center of small upstate towns. They are welcome in their communities.

It is imperative that the government wake up to the anger and anguish of its citizens. If it fails to do so, middle-class flight will continue apace, further weakening New York City's economy, tax base, and social stability. "Just because we live here today doesn't mean we'll be here tomorrow," warns Upper West Side activist Philip Shelly. "People are moving out in droves," adds Jane Startz, who lives on 102nd Street and Broadway.



Source: West 90s/West 100s Neighborhood Coalition, Inc.

A map showing the concentration of social-service facilities and SRO buildings between West 90th and 110th streets.

"However much you love New York, it's not worth risking your child's life."

The hope for New York City rests in people like Sheryl Harawitz, who vows to stay in the city and continue her fight against those who threaten her neighborhood's stability. "I'd prefer they leave," she says. "I was born here. There are lots like me, and we are going to fight." ■

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A Memo to the New Schools Chancellor

Raymond Domanico
and Nathan Glazer

The new leader of New York's public schools should resist the temptation to impose grand citywide reform plans. What the schools really need is less bureaucracy and more choice, to unleash the creativity of teachers and principals.

Dear Chancellor:

You have just started on a job that has been described as one of the toughest in America. You are the fifth chancellor to be selected in the last ten years. All of your predecessors worked hard; all had terrific ideas and initiatives. But three were asked to leave the position, and one died in office. You face a series of profound challenges. Student achievement has been stagnant for six years, while spending in the system soared, then declined slightly. Some of the board members who called you to service believe that the central headquarters of the organization you now head should be largely abolished. The system has been in political tumult for well over a year, with the majority of the board's members often in conflict with the mayor. The process by which you were selected reflected the fractured politics of the system and at times resembled a sideshow, with political ambitions, ethnic politics, and personal invective taking precedence over reasoned debate.

We write to you because we believe that you can make a difference in the lives of our city's children. But in order to do so—to succeed where your predecessors have failed—you must fundamentally change the role of the chancellor and the public's perception of it. In the pages that follow, we will argue that you must become the agent of the system's transmutation, and that you are going to have to behave in ways that, according to conventional wisdom, would ensure your downfall. When a new chancellor takes office, the city has traditionally expected a strong leader with a plan of action that will fix the system from the top. That approach may once have worked, but it no longer does. We believe you must take a different tack, leading the transformation of the system into one characterized by local control, choice, and a wide diversity of educational ideas.

Too much of the system's current organization exists either to protect you from criticism or to deflect criticism of the schools themselves. The system's central headquarters is a paragon of flak catching. Further, many of the offices in your bureaucracy were created to prevent bad things—patronage, corruption, discrimination—from happening. But there are now so many such offices that they also prevent good things from happening—and the bad things still happen anyway. If you are to lead the system toward improvement, you will have to

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convince your own organization of the need for innovation and creativity to replace monitoring and caution as the primary goals of the system.

Our observations in two broad areas, the school system's academic performance and the city's political culture, inform our recommendations as you begin your term in office.

Understanding the System

Three points are crucial in understanding the system you have inherited. First, student achievement is modest and not improving. In May 1986, students in New York City's public schools sat for their annual standardized reading and mathematics tests. Forty-nine percent of them scored above grade level on a newly minted mathematics test. Though 65 percent scored above grade level in reading, the test then in use was outdated, and reading scores dipped to 48 percent when a new test was introduced three years later. Of the students who entered high school in September 1982, only 41 percent would graduate in June 1986.

In May 1993, New York City's students also took reading and mathematics tests. Forty-nine percent scored above grade level on a new mathematics test and 49 percent also scored above grade level on the reading test. The most recent graduation report indicates that 39 percent of those students who entered high school in September 1988 had graduated in June 1992.

In terms of the school system's bottom-line indicators, then, nothing has changed over the last seven years. The system changed chancellors twice during that period and is now in the midst of a third transition, but the leaders of the system, with their management teams and reform programs, have not been able to improve the system's performance in any measurable way.

Though New York City's public schools are by no means the worst in urban America, they are not performing up to the public's expectations or to the needs of the city's young people, and they have been unresponsive to system-wide improvement efforts.

But even more important, many of those who will judge you—the people of New York city who have gone through its schools—remember a time when the schools did much better. The unselective working-class high schools of the 1940s, which one of the authors of this letter attended, graduated 80 percent of their students in four years, and half of those received Regents diplomas. Today in such high schools, perhaps a third of entrants will graduate, and only 10 percent of them will earn Regents diplomas.

Though New York City's public schools are by no means the worst in America, they are not performing up to the public's expectations or to the needs of the city's young people

The second point is that the school system is spending more than ever. Successive chancellors have succeeded in this area: they have increased spending in the system by more than 58 percent (in current dollars) during the last six years. In fiscal 1993 the system's budget was $2.4 billion more than in 1986. In per-pupil terms, spending has gone up to more than $7,400, an increase of about $2,100, or 40 percent, since 1986. Only in fiscal year 1992 did the system's spending per pupil decline, but it rebounded to slightly above its 1992 level by 1993. The much-talked-about $750 million budget cut endured by the system in recent years was largely a by-product of budget negotiation hyperbole.

Third, the city's politics are changing—and the schools are in the middle. The bureaucratic organization you have inherited was created to protect schools from local partisan politics and give the system an ethos of professionalism. Twenty-five years ago, the system was decentralized in response to discontent within black and Hispanic communi-

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ties regarding the depressed state of the schools in their neighborhoods. The decentralized system that emerged from the racial polarization of the 1960s was an amalgam; by no means did the city's central powers cede control of schools to the communities. Nor has it resolved the tensions between the Manhattan elites and the city's working and middle classes, which have defined the city's politics for generations and led to the dismissal of your predecessor. Today the divide between Manhattan and the outer boroughs is not only racial and economic but also cultural and religious. For education, the latter may be the more significant conflict. One of your predecessors, Frank Macchiarola, has written:

> One of the most profound differences between Manhattanites and outer borough New Yorkers involves their attitudes toward religion. In the outer boroughs, religion is based on God's law, as expressed in the traditions of Christianity, or Judaism—or, with the influx of new immigrants, of Islam or Hinduism or Buddhism. Manhattanites, on the other hand, tend to follow a secular religion. They get their sermons daily on the editorial page of the *New York Times*, where they learn less about what they ought to do and more about what others should do. . . .
>
> Because of its secular nature, the Manhattan faith never runs afoul of the First Amendment. Thus, while the Constitution prohibits prayer in the schools, it allows Manhattanites to proselytize: if their values are supported by the central Board of Education, they can impose measures like the Rainbow Curriculum, regardless of how they offend the religious values of outer borough parents.

It is appropriate that these words were written by former chancellor Macchiarola. One could reasonably assert that there have been two distinct eras in the school system's most recent 15-year history. The first was dominated by Macchiarola, who headed the system from 1978 to 1983. He was, by nature and upbringing, an outer borough man. He did not shy away from the messiness of local politics, and often used his influence within the local political system to further his goals for the school system.

When Macchiarola left the chancellorship, then-Deputy Mayor Robert Wagner Jr., a Manhattanite, attempted to succeed him. Though he garnered the approval of the Board of Education, the state education commissioner refused to grant a waiver that would have allowed him to serve despite his lack of formal training in education. Nonetheless, by 1985, Wagner was back in the school system as a member of the Board of Education. He served as president of the board from 1986 through 1990; it was under his leadership that chancellors Richard Green and Joseph Fernandez were selected. The battle over the Rainbow Curriculum and former chancellor Fernandez's contract symbolized the larger conflict between Manhattan and the outer boroughs—between the contrasting cultures of highly educated professionals, many with children in private schools, and traditional working-class parents in the outer boroughs.

Our point is certainly not to argue that the views of Manhattan and its media elite were wrong and those of the outer boroughs were right. It is, rather, to suggest that these debilitating conflicts can be reduced by further devolution of power to the community school districts, so that neither point of view can impose itself on the other. This will not eliminate conflict, but it will remove it to more limited fields of combat. In many districts there will be sufficient agreement, based on a common culture, that more attention can be given to the fundamental issues of schooling.

The bitterness of the cultural and political battles have wearied many of the combatants, and there is a growing constituency for a transformation of the city's school system into smaller, community-based organizations. We support that movement, and we urge you to support it as well. Beyond the obvious benefit of defusing the discussion of divisive social and cultural issues, a rationale for real decen-

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tralization is firmly grounded in what we now know about effective education. The factors that are widely known to be associated with school success are found in schools that are autonomous from external influences, that have a clear vision of the educational enterprise, and that put academic excellence at the core of their existence.

The findings of national research on school improvement are congruent with the recent history of New York City's public schools. Those things the central bureaucracy has controlled—spending more money, making the curriculum more demanding, and infusing the curriculum with multiculturalism in order to make it relevant to students' ethnic or racial backgrounds —have all been tried in New York City and have all failed to bring any significant level of systemwide improvement.

UPI/Bettmann

Irving Anker 1973-1978

NYC Board of Education

Frank Macchiarola 1978-1983

The central administration has tried many types of reform over the past 15 years. Each of these efforts has been hampered by the need to contend with the interest-group politics that engulf the central Board of Education. As a result, each has ended up in the service of adults, not children, and the results have been predictable—the schools have not improved.

The most interesting and effective school-improvement efforts in the city have occurred outside the sphere of the central board. In individual schools, inspired educators have enjoyed success under the most difficult of circumstances. They have sought assistance, and found response, from the many foundations, institutions, and well-to-do individuals who abound in the city and want to help the schools. The alternative schools of choice in East Harlem's Community School District 4, for example, have achieved national and international acclaim for their academic success. Working largely outside the mandates of the central board, these schools were able to leapfrog over half the districts in the city on standardized measures of achievement. Individual schools in other districts achieved similar success. The Mohegan School in the South Bronx, described by Kay Hymowitz elsewhere in this journal, adopted a core curriculum based upon the work of E. D. Hirsch. The School for Writing and Publishing in Harlem is one of many new schools that have been created in Community School District 3 since that district adopted a policy of school choice under superintendent Anton Klein. The Frederick Douglass Academy, the initiative of Lorraine Monroe and superintendent Bertram Brown, is bringing an elite secondary school experience to the children of central Harlem.

The crucial question, then, is how to apply the lessons of these successful schools to improve education citywide.

Transforming the System

Several legislative proposals for further decentralization have been introduced within the past few months. One, reflecting the work of a legislative commission that spent a year studying decentralization, would introduce electoral reforms into the community school districts, curb the power of local boards over district superintendents, and institutionalize school planning councils. Two alternative

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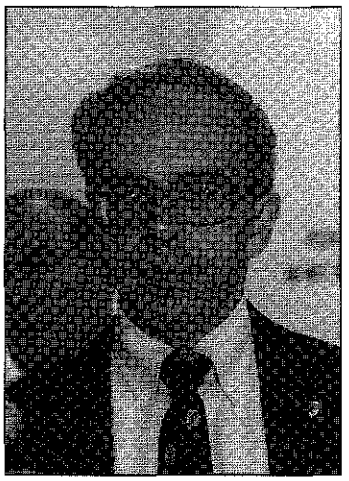
proposals would transfer power from the central headquarters to either borough or community school districts.

We favor decentralization to the community school districts, with political reform built in, and we think you should support that approach as well. Community school districts in New York City are large districts by national standards, and we see no reason to deny New Yorkers the same local control of school politics the rest of the country enjoys. We think, however, that the key to effective decentralization is to employ a true system of school choice in the city school system. This approach has the added advantage of being something you can accomplish without political action in Albany. This is an important consideration, because the State Legislature has so far been unable to agree on any of the various bills before it.

New York Times/Conrad

Anthony Alvarado 1983-1984


UPI/Bettman

Nathan Quiñones 1984-1987

We see school choice as the best route to real decentralization and school autonomy, because it does away with much of the rationale for the current bureaucracy. A well-designed choice system removes the veil of irresponsibility that cloaks everyone associated with the system. The bureaucracy was designed to protect schools and children from corruption; a program of true choice acknowledges that corruption will disappear only when teachers and parents are given control over their schools. By giving real choice to parents and teachers, you can send a powerful message to the entire community that you are committed to fostering local control of schools. Rather than stifle the good people in the system with rules and regulations designed to keep the bad people at bay, you will empower the good people with good ideas to crowd out the bad.

A large part of the challenge facing you is somehow to move the broad middle of the school system—those students, teachers, and principals who are neither corrupt nor stellar but who are well-intentioned and willing to move with the tide. The bureaucratic approach has sent the entirely wrong message to these people; it has encouraged them, above all, to be cautious. From their perspective, taking risks presents only danger—nothing will happen to them if they just stay the course. Choice, on the other hand, would establish rewards for success and impose costs for failure. It would tell the people in the middle that better achievement is possible and that the status quo is a dangerous place. Others will be moving ahead, and their schools will suffer if they are left behind.

We do not argue that choice in itself is a program for reform, but rather that it is a fundamental precondition of meaningful reform. Choice replaces bureaucratic control by simply saying that no parent can be forced to send his child to a school that he does not like. That little escape clause, that political pressure valve, solves by itself the conundrum of allowing innovation and leadership while retaining public accountability. Choice makes the schools directly accountable to the public they serve, rather than indirectly accountable through thousands of bureaucrats, lobbyists, and activists.

Choice offers an alternative model for the city's public schools. It is a model that frightens many supporters of the public schools, both within and outside the system. But given the current state

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of the system—its stagnation despite the infusion of additional resources, and the cultural and political divide that has placed a stranglehold on its governance—it is hard to see an alternative to choice that holds out as much promise.

Choice has taken a variety of forms, both in New York City and elsewhere. Last year New York's central Board of Education adopted a policy that, in theory, allows parents to move their children into any school district with available seats. This policy was a step in the right direction but is limited in its scope. As it now stands, the policy only prevents superintendents from barring transfers out of their schools. Given the overcrowding in many of the city's districts, refugees from poor schools will have no place to go unless a robust system of educational entrepreneurship creates innovative new schools in the city.

Vic DeLucia

Richard Green 1988-1989

Marilynn K. Yee

Joseph Fernandez 1990-1993

The kind of choice that would be meaningful to the city's schools and that would threaten the system's bureaucracy is firmly based on what we know to be wrong with the city's schools. This kind of choice is "transformative"; it has three key features.

First, it recognizes that the school bureaucracy itself is a major impediment to meaningful school improvement. The introduction of transformative choice to the New York City school system must include a significant reduction in the size and responsibility of the central bureaucracy. This reduction must go beyond the head count of employees and include the rollback of regulations and policy initiatives.

Second, transformative choice permits, indeed demands, the establishment of new schools to broaden the kinds of education available. Teachers must have the freedom to create innovative schools, and parents must have the freedom to choose them. To use the language of economics, transformative choice requires free entrance into the market.

Third, transformative choice must have a way not only of rewarding success but also of recognizing failure and requiring exit from the market. Schools would have to close because they do not attract students; principals would lose their positions, not for any gross dereliction in office but simply because their schools failed to perform; even teachers might lose their jobs, not because the money runs out but because they are not good enough.

School choice is controversial because it has come to us at different times under at least three very different and widely divergent ideologies—the ideology of community control, the ideology of equity for Catholic schools, and the ideology of the free market. People ask: What can choice be if it finds support in so many different, ordinarily antagonistic quarters? The common element, we believe—for community organizers, for Catholics, for free-marketeers—is that in each case proponents of choice are arguing for the creation and support of *communities*. Some might argue that markets dissolve communities. The truth is just the opposite. Giving control over a school to its leaders and ensuring that students and parents are there by choice is the best way to encourage the creation and maintenance of communities. If choice is effective in raising academic achievement, the primary reason will be that it creates a sense of community

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in schools where this has become difficult or impossible under the present system.

A community is a complex of people and rules linked by common values. The concept is amorphous, but we know it when we see it. When James Coleman talks about community in schooling, he has in mind such characteristics as a degree of control over who enters, sanctions if rules are broken, acceptance of authority, some principle of government, and constraints on what is allowed in school—not only those constraints that are codified in law but also those arising naturally from the wish not to incur the disapproval of other members of the community. The members of a community voluntarily agree to accept its rules, its constraints, its culture.

We can transform the New York City school system through choice, allowing individual schools and parents to take responsibility for success or failure

Contrast this vision of effective choice with the reality in so many of our city's schools: widespread disrespect for authority, resistance to school rules, the use of outside force to maintain order, the difficulty in disciplining or expelling those who break the rules. In the end, we believe that these issues are more important to successful schooling than whether a Rainbow Curriculum or a new systemwide pattern of school organization is implemented or not. The current system has shown an inability to deal with basic issues of schooling while spending far too much of its resources on matters of concern to only small interest groups. With greater power in the hands of the district, and greater power in the hands of parents through choice, we will not eliminate conflicts around schooling. But when conflict emerges at the district and school level, the number of combatants will be reduced, and they will know one another better.

We believe we can transform the New York City school system through choice, allowing individual schools and parents to take responsibility for success or failure. This will increase the power of parents, but who else better deserves, or is in a better position, to use that power in the interests of children? The chancellor can no longer aspire to the role of decisive, untiring, all-powerful administrator whose edicts set the course of a thousand schools and a million children. Rather, we believe you must enable many courses to be taken, many alternatives to prosper, many ideas to be tried. You will sometimes have to play the role of shepherd, reining in schools or districts that go astray. But your most important role will be to nurture creativity and difference rather than to set a single course for all. ■

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Why Enterprise Zones Will Not Work

Philip Kasinitz and
Jan Rosenberg

Almost everyone likes the idea of enterprise zones. But a study of employment patterns in an impoverished Brooklyn neighborhood suggests they will not do much to improve job prospects in the inner city.

Some ideas just won't die. Enterprise zones, the perennial Republican urban policy proposal championed by former Housing Secretary Jack Kemp, have reemerged as a Democratic proposal spearheaded by Kemp's successor, Henry Cisneros. The idea sounds like simple common sense: use tax breaks and other incentives to encourage private employers to locate in poor areas, bringing job opportunities to local residents. Our study of employment patterns in an impoverished Brooklyn neighborhood, however, suggests that enterprise zones are unlikely to be an effective strategy. The primary reason for ghetto unemployment is not the lack of nearby jobs but the absence of social networks that provide entry into the job market.

The idea of enterprise zones has something to appeal to nearly everyone. Conservatives like them because they promise reduced government and a private-sector answer to poverty. Liberals are attracted by the promise of "empowerment" for the local community. And enterprise zones have a strong nonideological selling point: they are cheap. An enterprise zone program entails very modest initial expenditures; the costs are paid primarily in uncollected taxes on as yet unmade profits.

A wide variety of enterprise zone programs have been implemented since the original Kemp-Garcia proposals of the mid-1970s. Since 1981, 35 states and the District of Columbia have introduced some version of an enterprise zone program, with modest results at best. All such programs offer a package of government incentives to encourage businesses to locate or expand in high-poverty areas. The primary benefits are tax breaks and abatements, although in some versions regulations are relaxed and additional tax credits are available for employee training. Early proposals had called for radical reductions in the role of government, including reduced environmental regulations and a lower minimum wage, but these provisions were usually dropped as legislation was drafted.

The Clinton administration's program, dubbed the Economic Empowerment Act of 1993, was approved in August as part of the compromise budget plan. It will establish 9 "empowerment zones" and 95 "enterprise communities" in both urban and rural areas. In all

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of these locales, firms would be eligible for tax incentives: exemptions for private activity bonds and accelerated depreciation for investments within the zone. Employers in the empowerment zones would also be eligible for employment and training tax credits and some small incentives to hire local residents. And, unlike past Republican proposals, the administration's plan provides that both types of targeted areas would be eligible for a host of proposed and already active community-based education, housing, and anticrime programs. Such programs, however, are brought together in a rather disorganized, ad hoc way.

The Mismatch Theory

The intellectual basis of the enterprise zone concept is what is known as the "spatial mismatch" theory of inner-city poverty. In 1968, economist John Kain first suggested that poor blacks lacked access to jobs, particularly manufacturing jobs, in significant part because those jobs were moving to the suburbs, far from the inner-city areas where most poor blacks lived. The idea was elaborated by some, most notably sociologist John Kasarda, and questioned by others. The most exhaustive review of the academic literature on the issue, conducted by Christopher Jencks and Susan Mayer, found the evidence inconclusive.

Red Hook, Brooklyn, already has the mix of low-income residents and industrial employers that enterprise zones aim to create

It is certainly true that in many cities joblessness among ghetto residents grew at the same time as the number of manufacturing jobs declined and those that remained were shifting to the suburbs. It is probably also true that some policy decisions have made it more difficult for the poor to find work. The lack of mass transit in suburban areas, for example, has often made outer-city and suburban jobs far less accessible for ghetto residents. But if an enterprise zone program succeeded in bringing jobs into inner-city neighborhoods, would local residents have access to those jobs? Our study of Red Hook, Brooklyn, a community that already has the mix of low-income residents and industrial employers that enterprise zones aim to create, suggests that the answer is no.

Red Hook is a neighborhood of approximately 13,500 residents, located on a peninsula directly across New York Harbor from the Statue of Liberty. While the name "Red Hook" once referred to a larger section of South Brooklyn, today the name is used almost exclusively to describe the area cut off from the rest of the borough by a confluence of highways and the toll plaza at the entrance to the Brooklyn Battery Tunnel. It is a mixed-use area; the Red Hook Houses, one of the city's oldest and largest public housing projects, sit close to a variety of small industrial firms. In contrast to many Brooklyn neighborhoods with similar concentrations of poverty and public housing, the area is also quite near middle-class areas.

Neighborhood residents, however, think of themselves as isolated. Highways cut the peninsula off from the adjacent neighborhoods, making passage to Red Hook difficult on foot or by car. The area is underserved by mass transportation; the most common route to the subway requires crossing a six-lane highway, passing underneath an elevated expressway, and walking three blocks through a predominantly Italian-American neighborhood that many members of Red Hook's black and Hispanic majority view, not without reason, as hostile territory.

But Red Hook's isolation is far more than a matter of infrastructure. Residents report a pervasive sense of having been cut off—economically, politically, and culturally—from the rest of the city. They often speak of themselves as being "the forgotten people," at "the end of the line." Indeed, many New Yorkers know Red Hook only as the neighborhood where elementary school principal Patrick Daly was fatally shot in December 1992.

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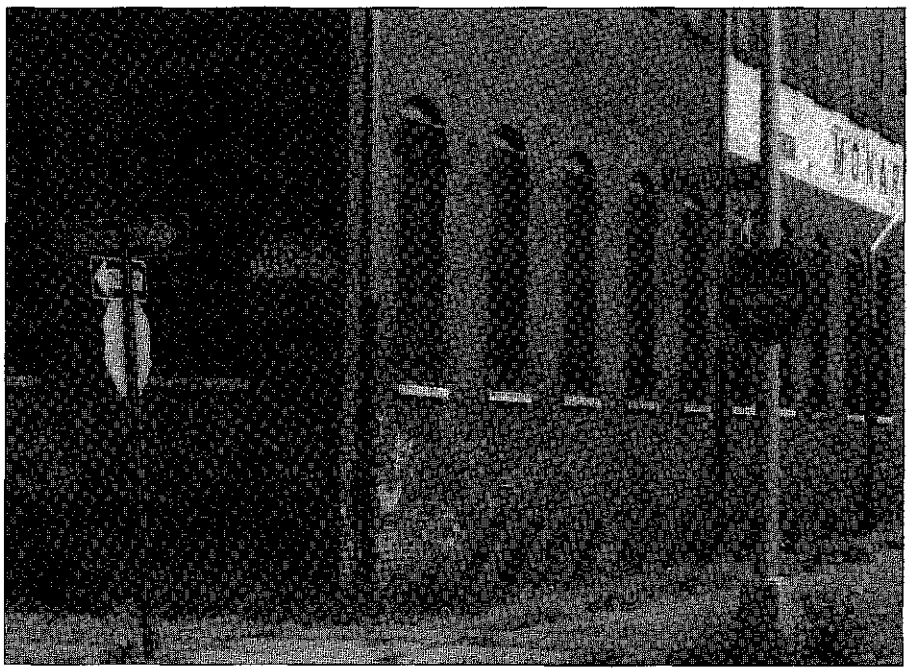
In 1989, 46.3 percent of Red Hook residents lived below the poverty level—far more than the 20 percent necessary for a community to be designated an official enterprise zone in New York State. (Red Hook is not, however, an enterprise zone.) Three out of four local residents live in the sprawling, forty-acre Red Hook Houses. The rest live in "the back," a cluster of private housing and small tenements occupied by the remnant of the old working-class white population, as well as by African-Americans and Puerto Ricans. The 1990 census found that 48 percent of area households received public assistance and 21.5 percent of Red Hook workers were unemployed. In 1989, 58 percent of all children born in the area, and 78 percent in the project, were born to single mothers.

Red Hook's mix of industry and impoverishment seems to confound the spatial mismatch theory. Numerous manufacturing plants and jobs exist in a neighborhood with high levels of poverty, unemployment, and crime. Yet while poverty is worse for public housing residents than for those outside the project, and worse for blacks and Hispanics than for whites, lack of access to jobs is perceived as a problem by all groups in the neighborhood.

It could be true, as Lawrence Mead's work would suggest, that a substantial number of local residents are simply not interested in low-wage work. On the other hand, when a discount supermarket chain announced its intention to open a store in the area in early 1991, it was besieged by more than three hundred applicants—two-thirds of them Red Hook residents—for minimum-wage positions. We surveyed these applicants and found that housing project residents, including those with considerable work experience, were more connected to service-sector jobs outside the area than to industry. By contrast, applicants from "the back" were far more acquainted with blue-collar work. But both groups of Red Hook applicants tended to have highly unstable job histories. This seemed to result from both a propensity to leave jobs (frequently over disagreements with bosses or coworkers) and the chronic instability of the low-wage job market. Many applicants had experience with temporary work, day labor, layoffs, and job loss due to company closings. We also found a surprising lack of qualifications, even for many unskilled jobs. In an area that employs many truck drivers, for example, only 9 percent of the three hundred job applicants had driver's licenses.

In order to find out more about why Red Hook residents don't get Red Hook jobs, we conducted a survey of local employers. Using a list compiled by the South Brooklyn Local



Benton Collins

Jobs are readily available in Red Hook, Brooklyn, but local residents seldom get them.

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Development Corporation (LDC), we generated a sample that included all 19 of the large employers (those with forty or more employees) headquartered in the community and 15 of the smaller ones. Thirty-two of these 34 employers were private-sector firms; 13 of those (or 41 percent) employed at least one Red Hook resident. Most of those local employees, however, were whites from outside the project. Only three of the 34 employers reported that the majority of their workers were Red Hook residents.

In order to find out more about why Red Hook residents don't get Red Hook jobs, we conducted a survey of local employers

When we analyzed our data further, we realized that we had underrepresented two key sources of employment for people in the project. Only two not-for-profit or governmental agencies showed up in our initial sample, because others were headquartered elsewhere, so we sampled three additional work sites: two day-care agencies and a public school. All five had employed Red Hook residents in the past, and four did at the time of the study. In all four cases, the employees included project residents. Each of these agencies uses highly systematic hiring procedures: all had a formal application process and four of the five required state or other licensing procedures, educational credentials, fingerprints, and criminal background checks.

Because the LDC list had also missed most small retailers, we conducted an additional small survey of 23 retail establishments facing the project. Only 7 of them employed Red Hook residents, and only one, a locally owned barbershop, regularly employed local blacks.

Our interviews with employers revealed two general reasons why they tend not to hire locals. There is substantial "positive discrimination" in favor of some groups of nonresidents, as well as considerable "negative discrimination" against residents. Though racial and ethnic stereotypes play some part in these patterns, they are far too complex to be explained exclusively in such terms.

Positive Discrimination

The patterns of positive discrimination take a variety of forms. For one, the area's best jobs, highly paid longshoring and shipbuilding positions, are monopolized by powerful unions to such a degree that employers actually have little choice in whom they hire. And there are many more union members than jobs; indeed, no new longshoreman has been hired in the port of New York since 1972. In such cases residential location does play a role in who gets jobs—but it is residential location in the distant past rather than the present. For example, a large contractor hires carpenters from a union hiring hall near Red Hook. Many members of this father-and-son local live in the distant suburbs. Yet they have first crack at Red Hook jobs, in part because their fathers, uncles, or grandfathers once lived near the waterfront.

Most local jobs are in lower-paying industries. Here, too, there are many examples of positive discrimination in favor of nonlocal job-seekers. The primary quality employers look for in an unskilled position is reliability, and most report that the best way to find reliable employees is by personal referral. "We hire almost entirely by word of mouth," said the owner of a small recycling center. "I have a couple of guys who brought in almost everybody, all the unskilled anyway. They bring in their friend, their cousin, their uncle, whatever. I have had maybe five guys come in off the street, and only two or three have worked out even for a short time."

Hiring "off the street" is rare even in the lowest-paying jobs. A commercial baker noted:

> We'll give anyone who walks in off the street an application. The likelihood of their being hired is slim, because we don't know them. . . . We don't tend to just take people off the street, because I've had a lot

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of bad experiences. That's true of all ethnic groups, including white Americans.

The reliance on referrals often amounts to a reliance on ethnic networks. This was no surprise in small retail businesses, which are usually family-run. Korean, Chinese, Arab, and Dominican retailers all hired exclusively from their own ethnic group. But larger businesses also often hire through ethnic networks, though employers are sometimes only peripherally aware of how the process works. One large contractor reported that more than half his workers are immigrants from Spain who commute into Red Hook each day from Jersey City and Newark. "They all know each other over there, I guess, and when they hear we have an opening, somebody just shows up."

Sometimes ethnicity is an explicit basis for positive discrimination. "There's a general perception amongst employers that Irish, Polish, and Mexican immigrants are the latest desirable employees," said a warehouse manager. "There's a friend of mine [who says] that all the Mexican guys he's come in contact with are incredibly good workers. You hear that enough times and then if a Mexican guy came here for work I'd probably hire him."

There is considerable scholarly literature on the role of social networks, including ethnic networks, in job placement. Networks serve at least three functions in the labor market. First, they provide specific information about the availability of job openings and how to pursue them. Second, they provide role models of successful employees. Third, and perhaps most important, they can provide direct sponsorship. A current employee may directly vouch for a prospective worker; if the new employee works out, the credibility of the sponsor is enhanced.

Social networks, not residential geography, tend to determine employment decisions. Social networks may be centered on a particular neighborhood, but they are often not, particularly in the sort of high-crime ghettos that discourage the formation of strong local ties. In areas like Red Hook, residents tend not to be embedded in social networks that connect them to private-sector jobs, even jobs in their own neighborhood. There is little reason to suppose that promoting local businesses in similar areas would change this pattern.

Negative Discrimination

Our study also found considerable discrimination *against* local residents. Although most employers were anxious to make clear that they do not practice racial discrimination, few showed any hesitation about describing "locality" discrimination against "ghetto" people in general and residents of the Red Hook project in particular. In some cases employers preferred not to hire people who lived too close to work for fear that the complicated lives of the poor would spill out into the workplace:

> We have drawn people from the Red Hook area for a number of jobs and we haven't had particularly good experiences. It's interesting that the thing that seems to be the problem is that people feel almost too close to home. They tend to want to go home for lunch and stay there. . . . They tend to have a fair number of visitors. Sometimes children, spouses, boyfriends, and girlfriends come in to visit them. . . . Sometimes that can be very disruptive.

More often, however, the focus of locality discrimination was the fear of crime. An employer with a large facility on the waterfront pointed with pride to his all-black team of security guards, West Indian immigrants who commute from central Brooklyn and Queens, but scoffed at the idea of hiring local African-Americans: "What, the bums hanging around outside? You want me to hire the guys who are trying to rob me?"

A recycler responded in this way to our attempt at subtly raising the question of hiring "locals":

> Look. I know what you're driving at. Let me save you some time. Do I hire people

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> from the projects? I have had maybe five people come in here over the years. I gave one or two a shot. And they didn't last a *day*. Mostly they gave me the impression that they were just looking around so they could come back for their "real job" [burglary], at night.

Concern about crime in the area is by no means unreasonable. Most of the Red Hook employers have experienced pilferage, and many have had employees mugged. It would be unfair to dismiss these concerns as simple euphemisms for racism.

Our study demonstrates that the presence of low-skill jobs in poor neighborhoods is no guarantee that the poor will have access to those jobs

Many private-sector employers see the neighborhood as a hostile environment to be kept at bay. Industrial firms in the area frequently do not post signs, and it often takes considerable persistence to find one's way into the secure buildings. Steel-reinforced doors and blacked-out windows are common. Negative feelings about the area are often transferred to the residents:

> We see junkies, we see prostitutes standing outside, and I wouldn't hire someone who lived in that. The projects have a very strong stigma attached. It's not just a matter of race. I don't discriminate. I'd be very upset if one of my people did. But naturally you distrust somebody who comes from a place like that. It's unfortunate, because there are probably lots of good people who live there.

Even some employers who do employ ghetto residents discriminate against those from Red Hook. One moving company supervisor, who primarily employs black men as day laborers, explained that he prefers to hire men from outside the area. Those from the neighborhood, he asserted, would come under pressure from friends to help them steal, while men with similar backgrounds but from distant neighborhoods would be under less such pressure.

Who Does Hire Locals?

As we have noted, there was one significant exception to the pattern of employers favoring nonlocal workers. Four out of the five not-for-profit and public-sector employers we surveyed did hire large numbers of people from the project. In contrast to the private firms, all of these employers perceived having employees who were "part of the community" as a significant benefit. In part this is because neighborhood residents are their clients, so good community relations is important to their "business." Yet it also seems likely that local residents, particularly those in the project, do better in public-sector employment because that is where *their* connections—their social networks—are. Unfortunately, public-sector opportunities for poorly educated applicants are severely limited; even the least-skilled positions in this sector, such as for day-care workers, require complicated licensing procedures.

During the time we were conducting our survey, another exception to the pattern of nonlocal hiring occurred. The South Brooklyn Local Development Corporation began a referral service aimed at placing residents in local jobs. At first, success was limited: the corporation primarily placed young people in very low-wage jobs and placed a few women in clerical positions, mostly outside the neighborhood. But it repeatedly tried to place men in industrial and construction jobs. Eventually a few construction contractors, needing minority workers to fulfill the affirmative action requirements of city contracts, agreed to take on a few laborers from the LDC pool. The contractors later reported that the workers had "basically worked out." They did not, however, start recruiting in the Red Hook Houses.

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Rather, they saw this as a happy exception, and they credited the favorable experience, probably with some justification, to the considerable screening done by the LDC. The employers were willing to "take a chance" on people they would not normally have hired because they trusted the judgment of the LDC director with whom they had an ongoing relationship—another example of the importance of social networks.

Why Jobs Aren't Enough

Our study of Red Hook demonstrates that the presence of low-skill jobs in poor neighborhoods is no guarantee that the poor will have access to those jobs. In a loose labor market it is easier and more efficient for employers to find new employees through informal referral systems, particularly when local residents are perceived as unreliable and prone to crime. These systems typically end up recreating the demographics of the current labor force.

Enterprise zone programs, by focusing on the location of jobs rather than the formation of social networks, fail to address the central problem. The concept confuses physical proximity—a matter of little importance to most employers, and in some cases even a detriment—with "social embeddedness," a quick index of reliability. The idea of enterprise zones reflects a basic misunderstanding of the relationship between living space and working space in dense cities like New York. We do not, after all, expect middle-class New Yorkers to work within walking distance of their homes; why should we expect the poor to do so?

The idea of enterprise zones reflects a basic misunderstanding of the relationship between living space and working space in dense cities like New York

How, then, can we connect ghetto residents with private-sector jobs? While we have no easy answer, it is clear that policymakers should be thinking in terms of social embeddedness rather than geographic location. One promising approach—exemplified by the limited success of the South Brooklyn LDC and more systematically by America Works, the private-sector employment agency for welfare recipients—is to create proxy networks that can inform, socialize, and vouch for employees in much the way that informal social and ethnic networks do now. Such efforts could go a long way in giving poor people access to jobs—even if they have to take the subway to get to them. ■

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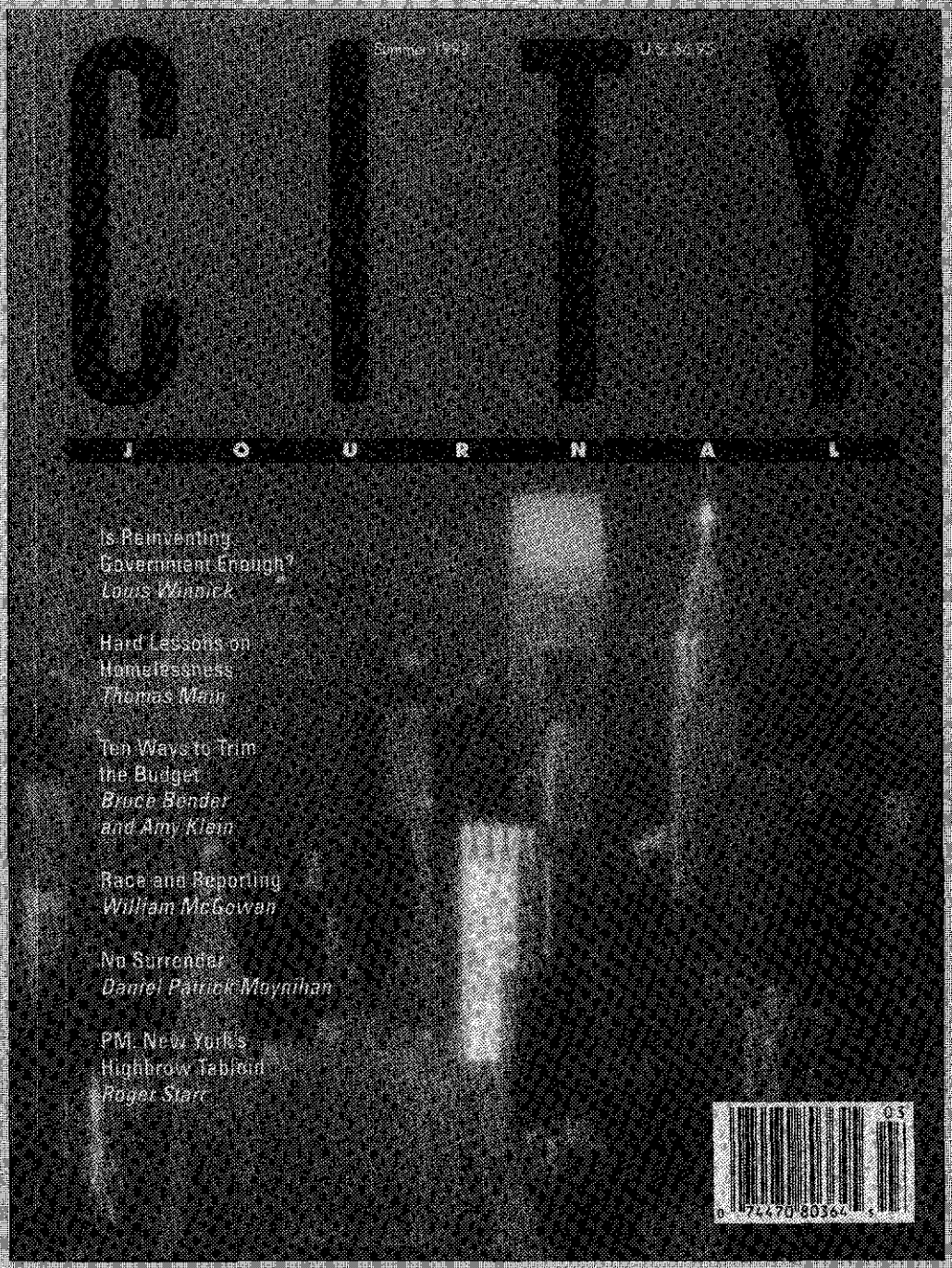

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HRA Adrift

Social Spending Without Direction

William Grinker
and Dennis Smith

As the nation moves toward welfare reform, New York City lags behind. During the past few years, the city's Human Resources Administration has not only resisted reform, but also abandoned serious efforts to measure how it is doing.

Bill Clinton made welfare reform a major campaign issue in 1992, part of his agenda to "reinvent government." Candidate Clinton's book, *Putting People First*, promised to "provide opportunity, demand responsibility, and end welfare as we know it." But while Washington has a key role to play, the most important reforms in social welfare policy will have to take place at the state and local levels. Nowhere is the issue more pressing than in New York City. With 3 percent of the nation's population, the city has 7 percent of its welfare population, 12 percent of its foster care population, and a large but unknown percentage of its homeless. Is the city's Human Resources Administration (HRA), its principal agency for providing services to the poor, up to the job? Unfortunately, HRA's recent performance suggests the answer is no.

HRA serves 1.5 million New Yorkers and has an annual budget of $7.3 billion, or 22 percent of the city's total expenditures. With almost thirty thousand employees, the second-highest payroll among mayoral agencies (after the Police Department), and a budget larger than those of many countries, the agency has considerable opportunity to improve the way in which it serves its clients and to reduce the enormous costs of social services in the city.

A "superagency," the Human Resources Administration was created by Mayor John Lindsay in 1966 with the aim of providing services for the poor more effectively by integrating them into one agency. Its mission is "to plan, initiate, conduct, supervise, coordinate, review, and evaluate city programs and activities in the attack on poverty." While HRA carries out some of its many tasks fairly efficiently, it has never fulfilled the goal that led to its creation. Two of HRA's most important problems over the past four years have been the almost total dissolution of the staff and departments within the agency responsible for planning and analyzing programs, and the lack of commitment to the basic precept of welfare reform—getting clients out of the system rather than perpetuating their reliance on it.

The effectiveness of an agency like HRA cannot be measured on the basis of "inputs," such as how many people are served or how much money is spent. Rather, the agency must develop ways of gauging "outcomes"—the degree to which its efforts are actually serving the public

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purposes they are designed to advance. David Osborne and Ted Gaebler make the point succinctly in their book *Reinventing Government:* "If you don't measure results, you can't tell success from failure."

Under the Dinkins administration, however, HRA has systematically dismantled its capacity for strategic planning, evaluation, and rational program development, created under Mayor Lindsay and maintained during several succeeding administrations. Not only have the accumulated findings of past research been ignored, but the organizational structure and staff required to diagnose systematic problems and to plan, monitor, and evaluate programs have been disbanded. Early on, faced with the prospect of retrenchment, HRA decided to cut "auxiliary services" staff, such as policy analysts, rather than those who directly serve clients. In theory, it was sacrificing "middle managers" in favor of those who actually give help to the needy. In reality, providing social services, especially in times of economic distress, is among the most complex challenges facing government. By cutting the thirty to fifty analysts (out of a total staff of some thirty thousand) who comprised the core analytic staff, the agency realized trivial short-term savings but will incur enormous long-term costs, both financial and social.

One of the many serious consequences is that no one is assessing service impact and quality control has been seriously undermined in the more than 1,800 HRA contracts with private social-service providers. Through these contracts, worth about $1.25 billion, HRA provides services ranging from foster care and day care to job training and attending the homebound. Staff members in the HRA Child Welfare Administration, for example, had been attempting to monitor the performance of contract agencies receiving millions of dollars for services to children. Not only were they pulled off their audit duties, but they were left idle for months. The staffers were reassigned when the story was exposed in the press, but the monitoring was never resumed.

The effectiveness of HRA's programs has a profound impact on the lives of poor New Yorkers. While the government cannot eliminate poverty, child abuse, or homelessness, it could do a great deal to lessen these problems. And the size of the agency's caseload has substantial implications for the city's budget. Between 1989 and 1992, while many city services were being cut back in response to a budget crunch, HRA's annual budget increased by one-third, or $1.7 billion.

Without HRA's planning and analytic staff, it is also impossible to know how its policies affect the size of its caseload. HRA can exert considerable influence over how many people enter the city's social-service system, what happens while they are in the system, and how quickly they get out. In other words, HRA's caseload is dynamic. Between 1987 and 1990, for instance, HRA reduced the daily census of families in homeless shelters from 5,200 to 3,600, not by reducing the number of people coming into the system—indeed, it went up from 450 to 750 a month between 1986 and 1989—but by speeding their resettlement into permanent housing.

It is impossible to manage such dynamic caseloads effectively without a strong analytic capability. Policy-makers must be able to track, interpret, and project trends, and to evaluate the results of innovations in their programs. Four years ago, HRA had a highly trained and experienced central policy and program development staff, which supplied top decision-makers with a steady flow of studies, analyses, and well-documented plans that helped manage and even reduce caseloads. Ironically, they also helped the agency make and defend its claim for resources in the city budget process. Today, only a skeleton crew remains. Similarly, most policy analysts within the operating departments of HRA have been fired, or their work ignored.

The Dinkins administration has made substantial changes in HRA policy, particularly involving HRA's two largest departments, Child Welfare and Income Maintenance (welfare). Because HRA's analytic capacity has been gutted, it is impossible to evaluate these changes fully. But from the limited data that are available, one can get a picture of what is wrong at HRA.

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Child Welfare

HRA has made Child Welfare its primary area of focus during the Dinkins administration. Its efforts have concentrated on "preventive" services, especially the Family Preservation Program. The notion behind the program, announced with considerable fanfare but little planning, was that by offering intensive counseling and other services in an effort to keep troubled families together, the agency would be able to reduce foster care and other services for children. Assuming that intensive services work, they are still very expensive, so their potential for cost-effectiveness depends on the agency's ability to predict correctly which families are at greatest risk of dissolution. HRA has no independently validated criteria for targeting those intensive services.

While HRA has promised that "outcome measures" would finally appear in the September 1993 Mayor's Management Report, the only information now available concerns the number of families being served. In 1989, HRA staff and its contract agencies were providing 30,128 families with preventive services, while in 1992, such services had been reduced by almost 10 percent, to 27,594 families. In 1992, only 91 families were receiving help through the Family Preservation Program, and only 174 families were to be in the program in fiscal 1993.

The effectiveness of preventive services either in avoiding the need for foster care or in substantially helping troubled families is questionable. HRA has never conducted an evaluation of its $40 million investment in preventive programs. Information about even such basic matters as the nature and length of services is strictly anecdotal. The agency has abolished its quality control unit, and the position of assistant deputy commissioner for policy and planning within Child Welfare has been vacant or staffed by an "acting" official for most of the past four years.

HRA's preventive-services centerpiece, Family Preservation, has been systematically evaluated in Illinois and elsewhere. It has shown no impact in reducing foster care. And in New York, the number of children in foster care increased from 34,881 in June 1989 to a high of 49,814 in 1991. As late as September 1992, HRA projected a foster care caseload of 55,898 for fiscal 1993. There is some evidence, however, that the caseload has finally stabilized. It is probably more than coincidental that the crack epidemic that fueled the rise in caseloads during the 1980s has also leveled off.

The increase in the foster care caseload is largely due to the creation and rapid expansion of the kinship foster care program, which was nonexistent in 1986 and now enrolls more than 21,000 children, or about 40 percent of the total foster care caseload. Kinship foster care was designed with the good intention of keeping families together by placing children of abusive or neglectful parents with close relatives such as grandparents or adult siblings. It has been heartily embraced by HRA and most child advocate groups as a more humane alternative to traditional foster care. Unfortunately, the program is also subject to abuse. Because relatives in the kinship foster care system receive substantially higher benefits than if they were on welfare, poor families have an incentive to enter the system even if foster care is not really needed. Foster care payments start at about $580 per month per child and can go as high as $1,100 per month, while welfare pays about $180 per month plus Food Stamps.

Kinship foster care thereby risks undercutting the primary goal of foster care—either to reunite children with their birth parents or to ensure a speedy permanent adoption. By encouraging the formation of families headed by a relative who is not a child's parent, kinship foster care may well end up driving the mother from the home as welfare did the father. In fact, the average time children spend in foster care has increased by one-third, from 2.1 years to 3.25 years. But because of HRA's inability to gather or analyze information about these programs, we have no way of knowing for sure what the results of kinship foster care have been, apart from anecdotes of systemic abuse and the alarming increase in the length of time children stay in foster care.

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A few other data are available regarding HRA's Child Welfare services, and they are not encouraging. It is true that within recent months foster care enrollment has dipped a little. But the evidence suggests this trend reflects not a decline in need, but a decline in the quality of Child Welfare's protective services. Between June 1991 and April 1993, the number of caseworkers dropped from 1,152 to 745, despite an increase of almost 20 percent in the number of high-risk cases reported to HRA between 1989 and 1992. Correspondingly, the two standard measures of caseworker activity both went up unconscionably. The number of new cases per caseworker went up from 5.6 to 7 per month (specialists place the appropriate number at between 4 and 6), and the average caseworker's load increased from 16.3 to 22.3 cases (the standard is between 12 and 18). Thus, caseworkers were trying to handle a greater number of more difficult cases, while HRA argued with city budget officials about why more than three hundred authorized caseworker positions went unfilled.

As a result of the decline in the number of caseworkers, the number of cases in which sufficient evidence was gathered to require the full-scale investigation that must precede the placement of children in foster care went down by 25 percent. During this time, the number of Family Court petitions filed by HRA attorneys—the precursor to a finding of abuse or neglect—dropped a dramatic 40 percent, from 11,173 to 6,873, perhaps because of backlogs brought on by staff attorney vacancies.

Given the greatly reduced number of cases coming into the system, the number of children in foster care should be substantially below what it is now, even taking into account the longer periods of time children are in foster care. Could it be that substantially more parents are voluntarily placing children in foster care because they want to take advantage of the kinship foster care reimbursement rates? Again, the only evidence available is anecdotal. The agency no longer has the staff to study and explain these results, but that does not stop HRA from claiming an "increased impact of the Family Preservation Program."

Welfare Reform

In the early 1970s, almost one-third of the welfare recipients in New York City were legally ineligible for benefits. Later in that decade, significant strides were made in enforcing eligibility requirements. By the early 1980s, the proportion of those on the rolls who should not have been was reduced to around 5 percent. Accordingly, the welfare caseload shrank from about 1 million to about 800,000, even in the face of a recession.

Today, for the first time since 1976, the welfare caseload exceeds a million; it is at the highest level in history. The dramatic increase is clearly tied to the national recession. Since 1989, the nation's welfare caseload has risen by about 27 percent, roughly the same as New York City's.

The lack of analytic information coming out of HRA makes it difficult to determine whether other factors are significantly driving the numbers upward. (HRA has not provided extensive information about welfare and poverty levels since June 1989, when it last issued its widely respected analysis of New York City economic and social data, entitled *Dependency*.) Based on available information, however, there do not appear to have been any significant changes in the way the system is processing applicants and determining welfare eligibility. Rejection rates for those seeking benefits have remained constant over the past four years, and error rates—the number of people on the rolls who should not be there or are getting the wrong benefits—are basically unchanged (5.7 percent in fiscal 1989 and 5.5 percent in fiscal 1992). The average length of time a client spends on welfare also affects caseload increases, but HRA no longer provides systematic information about this.

While HRA has held a steady course in maintaining eligibility requirements, it has not succeeded in getting people off the rolls and into jobs. Historically, the city's employment and training efforts on behalf of welfare recipients have been relatively ineffective. In part, this was because responsibility for employment efforts has been divided

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between HRA, the state Department of Labor, and the city Department of Employment, leaving no single agency accountable. A more fundamental problem, however, has been the city's lack of commitment to sound programming that would make employment and training real alternatives to welfare.

In 1988, Congress passed the Family Support Act, providing the city with a new opportunity to fashion a strategy aimed at making welfare a way station to employment rather than an end in itself. The act gave states financial incentives to place clients in jobs or training programs, and the city initially responded. By the end of 1988 the city had developed a comprehensive plan to refashion the welfare system around the mutual obligations of the welfare client and the government: the client had the obligation to do whatever she could to improve her employability, and the government had the obligation to help the client do this. But the effort at systemic reform ended with the election of Mayor Dinkins, and the city is back to business as usual.

Currently, HRA's primary concern is with meeting federal and state requirements for placing clients in job training, not with ensuring that those clients find and retain employment over the long term. Thus, HRA churns clients around in the system; hundreds of thousands are interviewed to assess their eligibility for and interest in employment, but the process typically goes nowhere.

While HRA makes modest efforts at encouraging clients to search for jobs, the agency much prefers training and remedial education. So do the clients—quite rationally, as anyone who has ever looked for a job will understand. In fiscal 1992, 39,020 recipients of Aid to Families with Dependent Children (AFDC) were enrolled in training (although individuals enrolled in more than one program were counted multiple times), and 22,141 more clients were participating in some other employment-related activity, usually job search or work experience of some kind. But training and remedial education are notoriously weak reeds on which to base an employment strategy. The quality of the programs is often poor, and most participants go from training program to training program without ever graduating to a job.

HRA takes the paternalistic view that AFDC recipients need a lot of assistance and support—especially remedial education, training, and day care—before they can function in the labor market. Low-wage jobs are looked down on as a "dead end." And there is a heavy emphasis on assessment for readiness to work, with the process built around finding reasons to exclude clients rather than figuring out how to overcome such obstacles and include them. The result is often that those who could find work on their own get the most institutional attention and probably are delayed from actually getting jobs. At the same time, those who could benefit most from concerted prodding and encouragement are left by the wayside. All women on welfare with children over three are required by federal law to participate in employment and training activities. But HRA has effectively made such participation voluntary.

In this area, too, HRA no longer conducts a systematic analysis of its efforts. But it is possible to get a rough idea of HRA's performance in fostering employment by looking at the available data. In fiscal 1993, HRA projects that its efforts will result in about 9,800 AFDC recipients, or about 2.4 percent of the total AFDC caseload, getting jobs. This performance can be compared with those of several counties where sophisticated research has shown that effective employment and training initiatives can make a significant difference in reducing welfare costs and increasing employment among welfare recipients. In 1991, Riverside County, California, with an AFDC caseload of about 28,000 and an unemployment rate of 9.8 percent, reported 7,751 job placements, or about 28 percent of the total caseload. In the same year, San Diego County reported placing about 9 percent of its clients in jobs. And in Kent County (Grand Rapids), Michigan, which had a caseload of 8,181 in June 1991, 1,774 clients, or 21 percent, found employment.

There is a sufficient body of knowledge about what works that HRA could build a more effective employment program if it had the will and the plan-

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ning capacity to do so. A modestly effective program in New York City should be able to place between thirty thousand and forty thousand AFDC recipients a year, or about 10 percent of the caseload, into jobs, instead of the pathetic 2.4 percent the city currently achieves.

Given HRA's disappointing record on welfare reform and the historical reluctance of the city's powerful public employee unions to countenance public-service jobs for welfare recipients, it is hard to envision how President Clinton's expressed idea—two years on welfare and out—could work in New York City. A cynic might postulate that HRA's response will be to spend two years assessing the employment potential of its clients and then put their children into kinship foster care.

Flying Blind

There has been no shortage of plans for reforming HRA. Since the agency's founding, as many as 15 different commissions and study groups have come up with various reorganization schemes, based on one of two alternatives: breaking HRA into multiple agencies, each with a single purpose, or decentralizing the agency and providing services at the neighborhood level.

Several single-purpose agencies have already been created. The departments of Employment, Juvenile Justice, Aging, and Homeless Services were all formerly part of HRA. This approach ignores the reason the city created a "superagency" in the first place: to integrate the planning and provision of social services. The new Department of Homeless Services, for example, will have to coordinate its efforts with those of HRA, which determines income eligibility for welfare, and the city's housing agencies, which are responsible for placing the homeless in permanent housing. The only immediate value of creating a new agency would seem to be political. Accountability will be suspended for about a year while the new agency gets organized, and after that it will be another year before measurable accomplishments can be expected.

The idea of decentralization hearkens back to the original structure of HRA, which supervised "community corporations" in each of 28 poor neighborhoods. These corporations, however, got caught up in the politics of poverty and in romantic notions about "empowering" the poor; they died a painful death in the 1970s amid charges of profiteering and ineffectiveness. The idea that decentralization is the key to effective service had become policy before a more fundamental question was answered: What are the needs of HRA's clients?

Addressing such basic questions remains crucial today. HRA's failure to develop and implement rational and effective policies on foster care and welfare is largely the result of its failure to plan and analyze its programs effectively. Designing and carrying out effective social-service policies would be a challenge even for an organization blessed with state-of-the-art strategic planning and management capacity. At HRA, however, the staff and systems capable of carrying out this mission have atrophied from abuse and neglect. The pattern is analogous to a jumbo jet pilot, flying in stormy weather, who responds to a fuel shortage by turning off the radar to save gasoline.

Good intentions are not enough to meet the demands of HRA's complex and dynamic caseload, to move the city into the mainstream of reducing rather than maintaining dependency, and to monitor and assess what does and does not work. HRA needs to build upon existing knowledge and develop a competent and creative analytic staff—in effect a guidance system—that can help the agency serve the poor more effectively and credibly demonstrate whether its efforts are successful. At the moment, HRA is flying blind. ■

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Chicago's Hands-On Mayor

Paul Glastris

Richard M. Daley, the mayor of Chicago, has won national praise for his efforts at privatization and technological innovation. Equally noteworthy is his attention to small details that make his city livable.

Chicago Mayor Richard M. Daley gestures out the car window with the wet end of an unlit cigar. "Look at that trash can on the corner," he says indignantly from the back seat of his blue Lincoln Town Car. "Every time I drive by here it's overflowing." It is a balmy summer afternoon in the Loop, Chicago's downtown area, and as usual the mayor is focusing on the small, visible details of his domain, acting less like the chief executive of America's third-largest city than like the proud owner of an old family business.

Like his father, the late Mayor Richard J. Daley, who ruled Chicago for 21 years, young Rich Daley has a passion for basic government services, the ones that are supposed to keep the city looking nice. He not only notices small problems, but spends vast amounts of mental energy trying to figure out cost-conscious ways to fix them. The offending trash can, for instance, is filled with rubbish from a nearby McDonald's restaurant. Couldn't the restaurant manager put out his own trash bins, Daley wonders? "Maybe hang little buckets on the parking meters, with the McDonald's logo on them?"

Leaving downtown on the Eisenhower Expressway, heading for an event in the West Side ghetto, the mayor continues with his theme that everybody (he pronounces it "evi-body") should take personal responsibility for the city's appearance. He complains about the weeds and grass that grow thigh-high on the sides of the expressway, and about how he must pressure the state government to mow them. As we exit the expressway and drive through the impoverished Garfield Park neighborhood, Daley sizes up homes and apartment buildings, noting faux wrought-iron fences and other embellishments that signal, as the mayor says, "some identity, like, 'Hey, this is mine, so keep off!'" We pass an elementary school ringed by asphalt and vacant lots. "That looks so uninviting," he groans. "We should tear that up and plant trees, put in maybe a soccer field or a baseball diamond. You mean to tell me the principal of that school doesn't have $20 to plant some flowers?"

The mayor's local critics see his mania for greenery and cleanliness as evidence that his vision of government is too simplistic for the complex problems his city faces. Yet beneath his surface concerns lies a deeper logic. Chicago, he believes, can retain its middle class and

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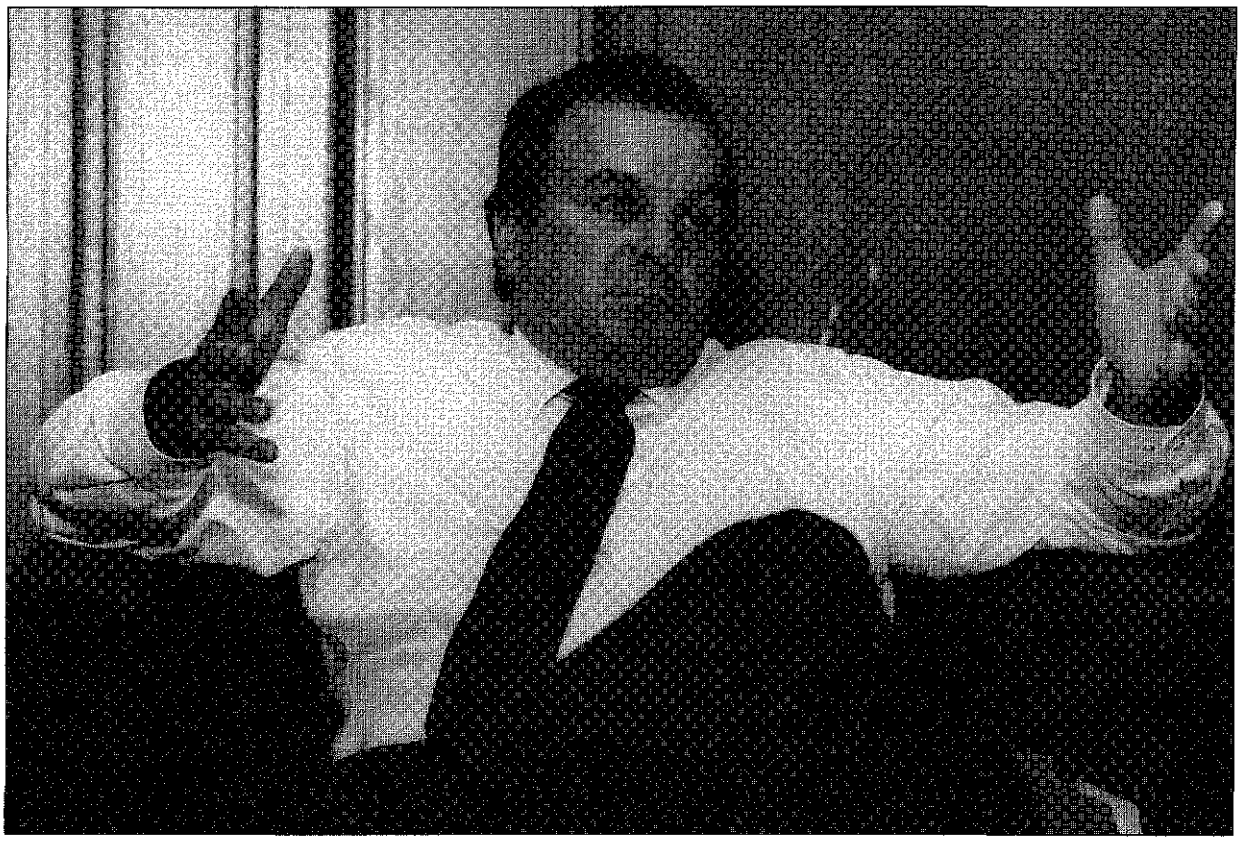

AP/Wide World

Chicago Mayor Richard M. Daley takes a nuts-and-bolts approach to city government.

avoid the urban death spiral of increasing poverty and decreasing tax revenues only by improving its quality of life—and that means better, more cost-effective basic services like trash pickup, the kind that benefit "evi-body."

This vision has a deeper political logic, too. Voters have noticed the small improvements in the quality of services and the look of the city since Daley was first elected mayor in 1989. He won reelection in 1991 with 71 percent of the vote. Since then he has made numerous blunders, such as a failed proposal to boost property taxes, and as I write he is struggling to help the Chicago School Board close a $400 million budget hole and avoid a threatened teachers' strike. Yet polls show little decline in the mayor's popularity; his overall job approval rating was 66 percent in a recent *Chicago Tribune* survey. Nationally, he has won praise from everyone from President Clinton to the *Wall Street Journal* editorial page for his efforts to "reinvent government" in Chicago.

Stout and hale at 51, with the pale, almost translucent complexion of the Irish, Rich Daley has neither the expansive personality of an old-fashioned big-city pol, nor the polished wonkery of the typical New Democrat. Gentle and almost shy in person, he sometimes seems ill at ease and defensive in public, as if resentful that his chosen career forces him to use rhetorical skills that he knows to be limited. He speaks with a working-class South Side accent, in sentences made up of chunks of imprecisely expressed thoughts strung together with dismaying syntax, rendered more incoherent by a politician's fear of answering questions directly. Yet thanks to the very ordinariness of his vocabulary, you usually know, or think you know, what he

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means. Chicago sophisticates love to debate just how intelligent Daley is. Judged solely on his spoken word, the answer would probably be not very.

But look at his governing strategy and you'll see streaks of true brilliance. On race issues, for instance, the mayor has moved about as deftly as any big-city politician in recent memory. Having lost his first mayoral bid in 1983, when he and Jane Byrne split the white vote and Harold Washington became the city's first black mayor, Daley spent the next six years building a decent managerial reputation as Cook County states attorney, while wisely staying aloof from the racial self-immolation that engulfed Chicago politics. These were the infamous years of "council wars," in which Mayor Washington and his black aldermanic allies battled an obstructionist white majority led by Edward "Fast Eddie" Vrdolyak.

When Daley ran for mayor again in 1989, he could legitimately present himself as above the racial fray. Vrdolyak and Daley had been bitter enemies since 1976, when (almost immediately after the elder Daley's death) Vrdolyak engineered the slating of fellow Croatian Michael Bilandic as mayor, thereby cutting young Rich Daley out of the line of succession. In 1989, most black voters (who represent about 40 percent of the Chicago electorate) backed the black candidate, acting mayor Eugene Sawyer, who had succeeded the late Harold Washington. But Daley managed to pull together a winning coalition of white ethnics, Hispanics, Asians, and affluent "Lakefront liberals." Among the latter group were educated Jewish voters who had opposed Daley's father and backed Washington, but who had dropped their support of "movement" blacks after an aide to Sawyer proclaimed that Jewish doctors were injecting black babies with the AIDS virus.

The Daley years have been remarkably quiet in contrast with the preceding half-decade of open racial hostilities, when the national media dubbed Chicago "Beirut on the Lake." Most blacks don't love the mayor but don't quite hate him, either (his job approval rating among blacks is 53 percent). Daley has carefully avoided giving the fractured black political leadership any major issues around which to rally outrage. Among other things, he has preserved Washington's minority contract set-aside program and placed numerous African-Americans in high-profile cabinet posts—though not in his inner circle of advisers, which until recently was made up largely of longtime friends from Bridgeport, Daley's South Side neighborhood.

The mayor has occasionally signaled his distaste for the more extreme aspects of affirmative action. But he has done so subtly, not in the in-your-face manner of an Ed Koch. When the idea of "race norming"—adjusting test scores to boost minority performance—was suggested for the police and fire department promotion exams, Daley responded with a clever sports metaphor that drained the idea of its racial edge. "You mean taking someone who got a 70 over someone who scored 99?" asked Daley, soon after the Chicago Bulls won their third straight basketball championship. "That would be like declaring the Phoenix Suns the winners."

Even more impressive than his handling of race issues is Daley's gut understanding of how the politics of city governance has changed since his father's death. The old order was held together by two linchpins. The first was patronage, an institution that died in cities like New York in the 1930s but survived in Chicago well into the 1970s. The senior Daley, as both mayor and chairman of the powerful Cook County Democratic Central Committee, controlled between twenty thousand and forty thousand government jobs in scores of city, county, and even state agencies.

Those agencies may have been bloated and corrupt, but political logic dictated that the elder Daley defend them. So what if there were elevator operators "running" the automatic elevators at City Hall? So long as those employees worked their precincts at election time and contributed the required fraction of their salaries to the party campaign fund, the mayor was happy. And anyway, nobody ever accused Richard J. Daley's machine of

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failing to pick up the trash. The city delivered basic services reasonably well because city employees owed their jobs to machine politicians, to whom voters went with requests and complaints. This is what Daley meant by his oft-quoted formulation, "Good politics is good government."

The second linchpin of the old order was the limited role of unions. Whereas New York City's workforce became unionized in the 1960s, Chicago government remained largely nonunion until the mid-1980s, thanks to a traditional "understanding" between City Hall and organized labor. Union leaders sat on all important policy-making boards and commissions, city contracts went to unionized firms, and city workers, especially skilled tradesmen, were paid "prevailing wages." In return, unions didn't press for collective bargaining rights for city workers. That meant politicians and city managers had near total control of work rules, workforce numbers, benefit levels, hiring, firing, and promotions. It also meant lower taxes and more-careful spending, as Ester Fuchs convincingly argues in *Mayors and Money: Fiscal Policy in New York and Chicago.*

All this began to change around the time of Richard J. Daley's death in 1976. First came a series of court decrees that ended the Democratic Party's power to hire and fire the vast majority of city workers for political reasons. Then came unionization, a gift from Harold Washington, who won his 1983 race as an anti-machine reformer with substantial help from the American Federation of State, County, and Municipal Employees. In return, Washington lobbied the State Legislature and secured bargaining rights for city employees. Washington did many fine things for the city, such as cleaning up its books and boosting its bond rating, but improving the management of its agencies was not one of them.

The death of patronage and the growth of unions changed the political calculus in Chicago. City bureaucracies went from being political assets firmly under the mayor's control to politically useless behemoths that soaked up tax dollars without following orders. But voters continued to hold the mayor responsible for city services, and politicians continued to remember Michael Bilandic, who was thrown out of office for failing to remove the heavy snows of 1979.

Enter Rich Daley. Without a patronage army to deliver votes and services, he devised a governing strategy that essentially reversed his father's formulation. Good government, he recognized, is now good politics. Since his first day in office, Daley has talked incessantly of the need to "cut bureaucracy and red tape." The members of city hall's jaded press corps tend to treat such talk as mostly rhetoric meant to impress editorial boards and Lakefront voters, a smoke screen hiding some deeper self-serving political agenda. What they don't quite understand is that bureaucratic reform *is* the self-serving political agenda.

Good government, Daley recognizes, is now good politics

Take the Chicago Department of Buildings, responsible for everything from issuing building permits to inspecting elevators. A perennial source of scandals involving kickbacks to building inspectors, the department has been turned around by Daley's handpicked building commissioner, Daniel Weil, a former federal prosecutor and a registered Republican with no ties to the building trade unions that have long dominated the agency. Weil streamlined the department's Byzantine permitting process and sliced away at overly strict building codes that maintain trade union jobs but inflate city construction costs. He also pushed through changes in state law allowing nonprofit groups to take over and rehabilitate empty buildings and forcing delinquent landowners to pay the costs when city crews demolish their empty, dilapidated buildings.

Weil's latest innovation is a technologically advanced reporting system to make sure that inspectors are actually visiting buildings and not filling out forms while sitting on bar stools. Instead of clip-

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boards, inspectors will carry hand-held computers with attached light wands that they sweep across bar-coded labels affixed to all the buildings on their routes. They then transmit the data directly into the department's mainframe computer via telephone, eliminating the need for time-consuming trips back to the home office and scores of data-entry people to transcribe material from paper. While Weil admits the system isn't foolproof, he says "it takes the fun out of cheating."

Another transformed bureaucracy is the Department of Revenue. Once better at generating headlines and indictments than funds from licenses and parking tickets, the department has "cleaned up its act wonderfully well," says Toni Hartrich of the Civic Federation, an independent good-government group. Under former revenue director Paul Vallas, whom Daley recently promoted to budget director, the department boosted parking ticket payment rates from 20 to 60 percent through heavy use of the dreaded "Denver boot" that immobilizes cars and a computer system that revokes the licenses of parking scofflaws. Vallas also managed to replace 10 percent of the department's staff and 60 percent of its managers without running afoul of union job protections. His secret: internal audits. "You find discrepancies on the books and start asking people where the money went," he explains. "Pretty soon they see the light and start leaving voluntarily."

Part of what drives Daley's reform agenda is his almost manic preoccupation with creating jobs and his awareness that nothing smothers economic growth like unresponsive government bureaucracies. Back in the days of the machine, a phone call from a powerful ward committeeman was all a merchants' group needed to get, say, brighter streetlights for a retail strip (provided, of course, that those merchants hung the alderman's poster in their shop windows at election time). But as the machine began to die, rules and regulations that came with federal funds began to shift decision-making power from politicians to engineers and technocrats in various overlapping city departments. By the time Rich Daley became mayor, the city's most powerful but dim-witted aldermen were being flummoxed by the bureaucracy and couldn't deliver the bacon to their wards, while only a handful of bright but politically unimportant alderman had "the brains and stick-to-itiveness to work the bureaucratic channels," explains Jackie Leavy of the nonprofit Neighborhood Capital Budget Group.

A couple of years ago, stung by criticisms that he was focusing on large downtown development projects to the exclusion of neighborhood job development, Daley decided to take on the infrastructure planning and budgeting process. He reformed the system by vesting some powers in a citizens' advisory committee. Today, community and small-business groups can actually influence, if not dictate, how and where capital dollars are spent. Moreover, groups can point to an easy-to-read five-year budget plan to show prospective business investors all the new curbs and water mains planned for their neighborhoods.

Having grown up in his father's house, Daley came to city hall with the expectation that a mayor should have near-total control of his own agencies. "You get elected mayor to make decisions, and then you find out the bureaucracy is against you," the mayor fumes. "Their attitude is: 'we're going to be here when you leave.'" This Perot-like frustration with today's government makes Daley a natural fan of corporate CEOs, whom he rightly sees as having a freer hand to manage their organizations. Business leaders return the favor with substantial campaign contributions.

His pro-business, antibureaucratic frame of mind has led Daley to embrace privatization as a way of improving the delivery of government services. Contractors now perform such functions as trimming trees, removing stumps, fixing traffic lights, and polishing the marble floors of City Hall itself. "We've privatized more than the State of Illinois, and we're the Democrats," Daley chuckles. A few years ago, abandoned cars were piling up on Chicago streets faster than the Department of Streets and Sanitation could haul them away. The net cost of towing was $30 per car, even counting

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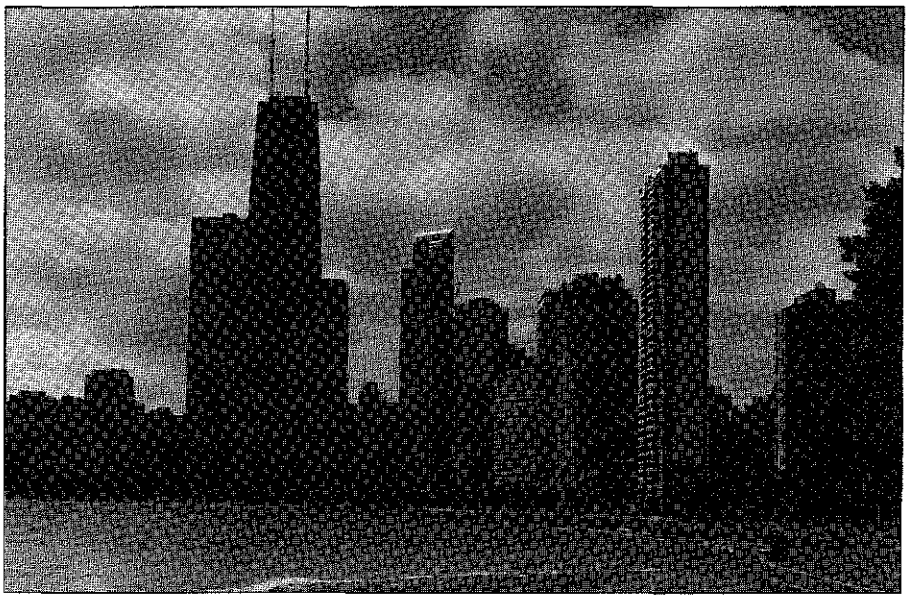
the money the city got for the scrap. Today, abandoned cars are a rare sight thanks to a contract with a private firm whose tow trucks roam the streets looking for the rusting hulks, paying the city a $25 fee for each car they collect.

It's easy to make too much of Daley's reforms. Many smaller agencies have been shaped up, but the larger ones, such as the Police Department, remain largely unreconstructed, thanks mostly to potent union resistance. There are weaknesses, too, in Daley's management style. Too often, bad news doesn't travel up to his fifth-floor City Hall office—a consequence, say insiders, of the fear Daley's temper inspires. Motivating city agencies and employees requires not just threats but strokes. Unfortunately, notes *Chicago Sun-Times* columnist Mark Hornung, "the mayor is more adept with the stick than the feather." This could hurt Daley down the line. "A lot of the guys who work for me hate the mayor," confides a ward superintendent with the Department of Streets and Sanitation.



UPI/Bettmann

Chicago's Lakefront skyline

And while some of Daley's privatization efforts have saved the city money, others have been embarrassingly costly. A contract for a computerized 911 system, for instance, hit major cost overruns, a fate that also seems likely for the mayor's controversial private-sector trash recycling program. And a private contractor who sank a piling through the floor of the Chicago River last year, puncturing a vast underground tunnel system and causing a massive flood that knocked out most of downtown Chicago.

Daley's privatization efforts have won him effusive praise from the conservative editorial page of the *Wall Street Journal*, which describes him as part of the new vanguard of mayors who are "[bringing] back businesses and middle-class taxpayers" to their cities instead of "[blaming] their urban ills on cutbacks in federal aid." But in truth, Rich Daley is no ideologue, and when it comes to federal aid for cities, he is a prominent and unapologetic booster. The mayor lobbied strenuously for the Clinton administration's economic stimulus package, and, to help matters along, he larded Washington with former subordinates, including his former campaign manager, David Wilhelm, who now heads the Democratic National Committee. When the stimulus package died, Daley publicly lashed out at the president for "backing off" from his campaign promises. The mayor had been counting on the extra money to plug a budget hole.

Daley's strategy for dealing with the Federal Government has its roots in the historical structure of Chicago government. Chicago earned its "city that works" image largely because its mayors did two things well. First, they provided reliable and relatively cost-effective basic services like fire protection and trash pickup—services that directly benefited working- and middle-class voters. Second, mayors promoted jobs and economic growth with big-ticket brick-and-mortar projects like highways, uni-

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versities, and airports. The latter obviously meant securing vast amounts of federal and state aid, a talent Richard J. Daley famously possessed. Less well known, however, was the elder Daley's knack for avoiding direct responsibility for programs that mainly benefited the poor.

The contrast here with New York City is striking. As Ester Fuchs points out in *Mayors and Money,* over the last sixty years New York City government has taken on responsibility for a vast array of redistributive services, from public hospitals to welfare. Chicago mayors, by contrast, foisted responsibility for these programs on higher levels of government, while using the clout of the machine to retain political control of these services. In 1958, for instance, Mayor Daley merged Chicago's public welfare department with that of Cook County, thereby forcing affluent suburbanites to contribute to costly programs like AFDC. He further spread the burden in 1974 by getting the state to take over the county's welfare responsibilities. In 1970 he palmed Chicago's jail and court system off on the county, too.

Chicago mayors were also smarter than their New York counterparts about creating and using special government districts. Chicago runs its profitable airports, for instance, but leaves responsibility for its money-losing elevated trains and bus lines to the Chicago Transit Authority, a fiscally distinct entity that is partially subsidized by state bonds and a countywide sales tax. In New York, by contrast, the Port Authority rakes in the money from Kennedy and La Guardia airports, while the city provides generous subsidies for the subways.

Given these great structural differences, the mayors of these two cities can both lobby for more federal aid and yet be asking for quite different things. When David Dinkins calls for more urban "investment," he is talking about expanding the welfare state. When Rich Daley does so, he can more credibly claim that the investment will fund basic services and economic development projects which, over the long run, should help the city retain both jobs and taxpayers, lessening the need for more subsidies later. In addition, the more Daley succeeds at reforming his own agencies, the less affluent suburbanites can oppose urban aid on the grounds that their tax dollars will be thrown down a "rat hole."

That, anyway, is the theory. In practice Daley has been hardly better than Dinkins at wresting extra dollars for his city. During his first two years, when the State Legislature was dominated by Democrats and the governor was liberal Republican James Thompson, Daley won state and federal funds for, among other projects, a new light rail system and an expanded convention center. But since deficit-cutting fever hit Washington and control of the State Senate shifted to unsympathetic suburban Republicans, Daley has suffered one defeat after another, most prominently of his plans for a land-based casino complex downtown and a third airport on the city's Southeast Side.

But things may be shifting Daley's way. Instead of land-based casinos, it looks like Chicago will get gambling riverboats, the revenues from which could help close the school budget gap. His Washington connections might also help him in his campaign against unfunded federal mandates. And slowly, steadily, he is making cost-saving improvements in city government.

As his car heads back toward City Hall, Daley brings up a vexing problem: the trees he wants to plant in the Loop will block the light from lamps that tower over the sidewalk. His solution is to put in shorter lamps made to look like old-fashioned cast-iron gaslights. "They're cheaper too, 'cause you don't need a hook and ladder to change the bulbs," says the mayor triumphantly. Such matters may seem trivial. But more than anything else, this sort of attention to detail is what America's cities desperately need. ■

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Empowerment, Not Entitlement

The New Politics of Bret Schundler

On Election Day 1992, the voters of Jersey City elected 33-year-old investment banker Bret Schundler, their first Republican mayor in 75 years. It seemed like a fluke: Schundler's victory came in a special election to replace a mayor who had gone to prison. He received only an 18 percent plurality in a 19-candidate field and would have to stand for reelection seven months later. Since the city of 228,000 had long been dominated by a Democratic machine, it seemed likely to many that Schundler would be only a caretaker mayor.

But he immediately set about reforming his city's government. He put more police on the street, reduced property taxes, and drew on his Wall Street experience to develop a new method of collecting delinquent taxes. He proposed an imaginative school voucher plan that he argues would increase the quality of both private and public education. And he spoke of themes that struck a chord with normally cynical voters: individual empowerment, personal responsibility, responsive government.

In May 1993, Schundler garnered 68 percent of the vote to win a full four-year term, despite an all-out campaign against him that featured visits from such political luminaries as Jesse Jackson and Senator Bill Bradley. A former Democrat who worked for Gary Hart's 1984 presidential campaign, Schundler has attracted national attention as, in the words of the Washington Post, *one of the "new ideas Republicans."*

Schundler was interviewed by City Journal *editor Fred Siegel; Lawrence Mone, director of research for the Manhattan Institute; James Pinkerton, a Manhattan Institute senior fellow; and Thomas Main, a* City Journal *contributor who lives in Jersey City.*

CITY JOURNAL: What is it about your mayoralty that has drawn national attention to Jersey City, a small city that has been rather obscure since Boss Frank Hague ruled in the 1930s?

SCHUNDLER: Obviously, the first thing that drew attention was that I am a Republican. Jersey City had not had a Republican mayor since 1917, when the mayor was chosen by a commission. The last time the Republicans *elected* a mayor was in 1905.

But the reason people have continued to pay attention is that we're talking about a new approach to governing, one that I think can create a model for the nation. During most of the twentieth century,

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the Democratic Party has been the dominant party in America, especially in the big cities, because it has promised to solve people's problems. Republicans, on the other hand, have preached self-reliance. Voters looking for governmental help don't want to be told to take care of their own problems, so naturally we Republicans usually did not fare well in the cities. My approach is different. I believe that government does have a responsibility to help people and should be proactive in doing so. I just don't think it is doing a good job with the bureaucratic approaches it has taken.

Governments have been saying, in essence: If you have a problem, we will solve it by giving you something. That approach ignores the fact that man has a soul and is ultimately saved not by what he is given, but by what he contributes. You can take a poor person and give him a house, or food stamps, but if you haven't given him a purpose, you haven't given him anything. If that person doesn't have a chance to contribute meaningfully, he will feel himself to be just a ward.

People need to have a socially reinforced philosophy that the purpose of life is to give, and that one should be happy not because of one's circumstances but in spite of them. These are traditional aspects of both religious faith and secular thought in America. But recently the prevailing philosophy of government has been that values are irrelevant. I think that came out of the positivism of John Dewey and the materialism of Karl Marx. Culturally, we have transformed the right to pursue happiness into an entitlement to happiness itself, with government the guarantor. But to be truly happy, people need empowerment, not entitlement. When you challenge someone to be responsible, you are putting a burden on him, but you're also giving him power. Internalizing this sense of responsibility is essential to happiness.

CITY JOURNAL: Jersey City is 78 percent Democratic and only 7 percent Republican. How were you able to win office here?

SCHUNDLER: I talked about the policy implications of the philosophy I am articulating. For instance, I specifically talked about putting more cops on the street, about lowering taxes, about bringing jobs back to Jersey City. I specifically talked about workfare, not welfare; and about school vouchers.

In doing so, I told the voters not only that I was going to help them, but that I was going to help them in the way that they want to be helped, by truly empowering them to be able to talk on safe and clean streets, pay affordable taxes, find a quality job, and send their children to the best school available—public or private.

Jersey City voters are perhaps more jaded about bureaucrats and politicians than anyone else in the country. This has been the most machine-driven town in America, notorious for corruption. So voters are very skeptical of a politician's honesty. I argued that power corrupts and that if you accrue all power to politicians, they are going to be abusive. I argued that we need a system in which politicians don't have so much power in the first place. If we put power into people's hands—for instance by giving them a voucher—we will have given them the means to protect their own interests, and they will no longer be subject to wanton misuse of power by politicians.

Jersey City is the most diverse city in America—about 30 percent African-American, 25 percent Hispanic, and 9 percent Asian. Forty-one percent of Jersey City residents don't speak English at home; 14 percent immigrated to the United States within the past ten years. And yet people of every race, ethnicity, and religion were able to agree on these basic ideas. In the regular election, in which I ran against a machine candidate, I won nearly 70 percent of the vote.

CITY JOURNAL: You came into office with a $40 million deficit on a $290 million budget. The previous administration was saying the only answer was to raise taxes and cut city jobs. What did you do?

SCHUNDLER: We would have been bankrupt by today if we had followed that plan. They had planned to raise municipal property taxes by 54 percent, when Jersey City's property taxes were already

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among the highest in the nation. People were already protesting by not paying their taxes; we were collecting only about 78 percent of taxes due. Raising taxes again would have put even more taxpayers into default.

We realized the only answer was to cut spending. We immediately began to reduce the city workforce, going from 3,200 to 3,000 employees through attrition. We will look at further options to reduce the size of the city payroll.

We also had to increase the tax collection rate. When only 78 percent of the people are having to cover 100 percent of costs, those who do pay must carry a much higher tax burden.

CITY JOURNAL: What is the average tax collection rate for cities in New Jersey?

SCHUNDLER: For cities it's in the vicinity of the high eighties; for suburban communities it's in the mid-nineties. We brought Jersey City's collection rate from 78 to 92 percent.

CITY JOURNAL: How did you do that?

SCHUNDLER: For one thing, we began a program of rent receiverships. If the owner of a large apartment building isn't paying his taxes on time, we'll collect his rent. We also demanded that the Federal Government's Resolution Trust Corporation pay taxes on properties it has taken over. Through these efforts we were able to get the collection rate up to about 90 percent. We eliminated a tax increase even before the bulk lien sale.

CITY JOURNAL: What is the bulk lien sale?

SCHUNDLER: Under state law, if an owner doesn't pay his taxes within six months, the locality puts a lien on the property. Interest accrues on the delinquent taxes at a rate of 18 percent. The locality then tries to sell the lien by auctioning it off to investors who bid down the interest rate. The buyer collects the taxes and earns the interest, or takes over the property if the owner still does not pay.

Financial institutions have never bid on liens, because they are sold one at a time and the value of the asset is not enough to justify the cost of administering it. Just as it is not worth a bank's while to give a mortgage for $2,500, it is not worth it to buy a $2,500 lien. Thus, only individual investors were willing to buy our liens.

Jersey City Observer-Journal

"We're talking about a new approach to governing."

But buying liens is a lot of work for an individual investor as well. In order to collect, the lien holder has to threaten to foreclose; accordingly, individual investors had to be paid to be the bad guy. As a result, we had maybe five investors buying liens, and always at the full 18 percent. When our taxes began to escalate and more taxpayers went into default, there were far more liens on the market than these few investors could buy. Since the city wasn't getting any money for those liens, its budget shortfall got worse and worse and it raised taxes higher and higher. This created a snowball effect as higher taxes led to still more defaults.

Having worked at Salomon Brothers when they created the secondary mortgage market, I was able to look at this and say: We can sell liens to institutional investors, by pooling them and issuing a securitized note. There's an economy of scale that would make it much more effective to sell the liens as a pool than individually, and because institutions are already set up to collect debts, I don't have to pay them 18 percent to be the bad guy.

By law, we are prohibited from borrowing for operating purposes, so the city can't issue notes backed by these liens. Instead, we had to sell the collateral to an institution, which then issued its own notes. I hired a financial advisory company to go to

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Wall Street and interview firms to find out whether such a deal was doable and how much it would cost.

The advisory firm concluded that First Boston was the most capable of putting the deal together, given the amount of money we were willing to spend. First Boston assumed a substantial risk: it spent a lot of money doing the research and putting together a structure for the deal. I could have said no, and they would have been out all of that money. But they put together a great deal. We sold $44 million worth of liens, for which we got $25 million in cash and a note worth $19 million, on which we're expecting about $8 million in interest. So we'll get about $52 million for $44 million worth of liens.

I've set the stage for a saving not only to the city but also to the delinquent taxpayer. In the future, now that this type of deal is established, different firms will be bidding down the interest rate on the liens.

CITY JOURNAL: Does this strike you as ironic? After all, the 1980s—the decade of financial engineering—are supposed to be over. One could call this, without any pejorative, a sort of Milkenism.

SCHUNDLER: I have never had any moral qualms about Wall Street. My sense is that Wall Street works, and that America would be severely hurt if Wall Street didn't work. Without the financial industry, governments wouldn't be able to build hospitals, schools, roads, and so forth. People wouldn't be able to build businesses if not for the money Wall Street provides. Financial innovations do not only benefit Wall Street firms; they ultimately result in savings to consumers. Mortgages in America are less expensive because of the secondary mortgage market. And because there are no copyrights on Wall Street, new markets become efficient very quickly, and the benefits of these innovations spread very quickly.

CITY JOURNAL: You have also proposed a novel method of financing education. Would you describe the state of Jersey City's schools and how your plan would work?

SCHUNDLER: When I took office, our public schools had already been taken over by the state, not because of financial bankruptcy, but because of educational bankruptcy. We are spending an average of $9,200 per pupil and getting little in return. We used to have only 16 percent of students pass the three high school proficiency tests. The state recently inflated the curve, yet still only 44 percent pass.

The state takeover hasn't helped, because it doesn't address the fundamental problem. It's not an issue of which politician controls the schools—the problem is that politicians have control in the first place. That control should belong to parents.

CITY JOURNAL: Your solution is a voucher plan?

SCHUNDLER: Yes, because vouchers put control over education directly into parents' hands. Money is power. Whoever has control over education dollars will have control over the education system. Now, I know the state doesn't have any extra money, and Jersey City certainly doesn't have any extra money. But the trend has been for public education to become more expensive.

Meanwhile, 25 percent of Jersey City's children are in private schools. This is very high by national standards, but 15 years ago we had 50 percent in private schools. As taxes have gone up, private school tuition has become difficult to afford. Again, we have a snowball effect: as people leave the private schools, tuition goes up for those who remain. So more people will leave. This trend will continue if we do nothing, and at some point this last 25 percent will move into the public system. That represents about ten thousand students. At $9,200 per pupil, that would be another $92 million per year in state and local spending. My plan would allow us to freeze spending at its current level.

The state gives Jersey City $6,600 per pupil in the public schools. Under current law, if a student leaves the public system, we lose the state funding for that child. I propose that the state freeze the amount of money it gives to Jersey City. If a child leaves the public system and goes to a private school, the city would still receive the same $6,600 for that child.

We would then take that money and put it into escrow. If a thousand children transfer out of

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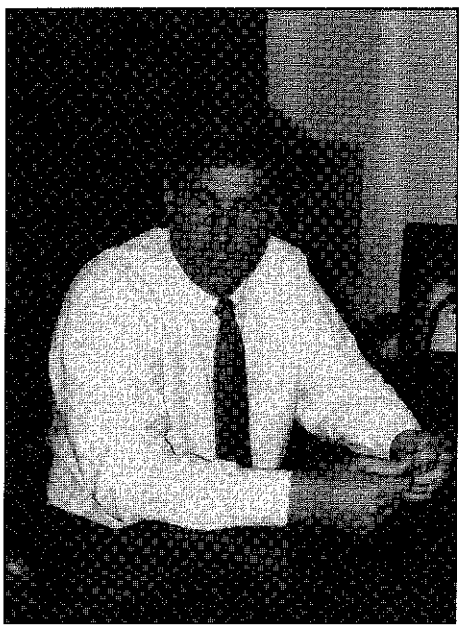
the public system, we would have $6.6 million in escrow. We would divide that escrow—whatever the amount happens to be—by the total number of children in the private system: the one thousand new students and the ten thousand who were already there. That $6.6 million divided by 11,000 students amounts to about $600 per student—almost half the total cost of the average private grammar school tuition in Jersey City. We would give each child in the private schools a voucher for that amount.

As more children transferred out, it would benefit those in both the public and private schools. If, say, two thousand students transferred, the amount of the voucher would be $1,100, almost enough to cover the full cost of tuition.

Meanwhile, overcrowding in the public schools would be relieved. Right now we've got tremendous overcrowding—37 students per class in some junior high schools. Let's say 10 percent transfer out. Now the average class size is down to 33 children.



Liz Hilliard/City Journal

"I favor solutions that empower people directly."

And only the state contribution would go into that escrow. The total local dollars going to the public school system would remain constant—I am committed to that. So we would have the same number of dollars per student from the state for those children who remain in the public system, and the same absolute number of dollars, divided by fewer students, from the local contribution. That means per-student funding in the public system would rise as more students transfer out. The public schools would improve, both because they would have less crowding and more money per student, and because they would be subject to competitive pressure from private schools.

CITY JOURNAL: What happens if the private schools respond to the availability of vouchers by jacking up their tuition?

SCHUNDLER: I think that'll be great, because they need more money than they're spending today. But I do have a mechanism to prevent them from raising tuition too much. I call it a state student credit. If the voucher is greater than the tuition amount, we would credit the student with the difference. Students could use that money for supplemental education—after-school tutoring, vocational education, or language or music lessons. Or they could save it up and use it for college. Hence, low tuition would be a selling point for a private school, since parents could take advantage of the extra funds.

CITY JOURNAL: Do you foresee any practical problems in determining standards private schools will have to meet before they are allowed to redeem vouchers?

SCHUNDLER: We have draft legislation in Trenton that spells out minimal eligibility requirements. It would require that schools not practice racial discrimination and that they meet safety and academic requirements. To minimize political interference in the public schools, it stipulates that the state cannot impose additional regulations beyond those that were already in place on January 1, 1990, without a two-thirds vote of the State Legislature.

CITY JOURNAL: Who's carrying the ball for you in the legislature?

SCHUNDLER: I think I can persuade the Republican majority, together with the Democrats who represent Jersey City, to join in support of this initiative. This is the same coalition that initiated the legislation allowing the bulk lien sale, which was passed unanimously.

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CITY JOURNAL: Won't the teachers' union resist your plan?

SCHUNDLER: Yes. During the campaign, the Jersey City Education Association, the local chapter of the National Education Association, sent out two letters to its members saying that Mayor Schundler would destroy the public school system and cause teachers to lose their jobs. I think that's an amazing surrender, to believe that they could not compete if they had to. But the fact is, I got 70 percent of the vote, even after intense, high-profile criticism of my proposal.

CITY JOURNAL: But how do you expect to get the plan through the State Legislature, where the teachers' union is a powerful force?

SCHUNDLER: I will have to convince suburban legislators that their constituents stand to benefit directly. Their schools have lost funds because more money keeps getting directed to Jersey City. My plan would allow the state to freeze what it's sending us today. If the legislature does nothing, the cycle will continue and the state will have to throw more and more money at Jersey City, which will cause greater hardship in other communities but won't help our children one bit.

I'm going to go to the suburban chapters of the teachers' union and tell them that if this experiment does not go forward, they stand to lose their jobs. If we continue what we're doing, and more money is directed away from the suburbs, teachers will be out of work in Morristown and Somerset County.

And if we don't improve the schools in places like Jersey City, suburbanites will see their taxes go up even further, because the state will have to spend more money on prisons to house people who turn to crime because they cannot read or write.

CITY JOURNAL: Speaking of crime, one of your major initiatives has been to get more police onto the street. How have you managed to accomplish this in a time of budgetary constraints?

SCHUNDLER: Politicians will always be prone to use government to serve their own interests, and playing games with the Police Department is no exception. Machine politicians would go to the police and say, "If you campaign for me, I'll let you sit in the gun-permit section and do paperwork all day instead of making you patrol the street." So we had policemen doing clerical work and even delivering mail between station houses. We had a police force of 840—fairly large for a city of our size—but only 38 percent of our officers were on street patrol.

We brought that up to 65 percent, and in doing so we almost doubled the number of cops on the street without hiring a single additional officer. In fact, we've reduced the police force through attrition from 840 to about 810 officers. I'm about to hire 28 new ones, all of whom will go to the street. And I'm still not done civilianizing the station houses.

The police, of course, have resisted. When I said I would take officers out of desk jobs and put them on the street, they replied that somebody had to do the desk jobs, and there was no room in the budget for it. I thought to myself: If that's true, I might as well reduce the number of uniformed officers and hire more civilians. After all, I don't need someone at a policeman's salary doing paperwork in the gun-permit section.

But in fact, I believe we need the extra police on our streets, so I'm not going to lay off any police personnel. Instead, I am going to bring in civilians to do the desk jobs. I acknowledge that I will be increasing the Police Department budget and the number of people on the Police Department payroll. I accept that, and I'll be shrinking other areas of the city payroll to compensate for that commitment.

CITY JOURNAL: It sounds like the reason you're able to do this is that none of the police were working for your campaign, so you didn't have to cut any deals with them.

SCHUNDLER: That's right. Many individual officers did support me, but I didn't invite them in to do campaign work.

You know, one of the reasons politicians give in to special interests is that we don't believe that regular people will ever appreciate the good things we do when we fight organized interests on their behalf. Politicians are wrong about this; the people do appreciate what we do for them. Even so, Marx

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said that if you're going to effect a revolution, you have to make a class "in itself" become a class "for itself." That is, people have to understand their own interests and become mobilized. Unfortunately, you may be able to do that for one election, but the next time around, if you have not changed the system, the organized interest will be mad, but the people will no longer be mobilized.

That's why I favor solutions like vouchers, which empower people directly. On the one hand, vouchers make it possible to reduce the number of people on the government payroll. By doing that, vouchers shrink the total size of the vested interests in government that wield such disproportionate clout. But what is even more important is that they help to make the general public into a class "for itself." People won't give up power once they've had it. If you give people vouchers, they will never give them up, and your reform will be permanent.

I believe it is important to have faith in the people, but it is also important to create a system that protects politicians who do the right thing, by keeping people mobilized. Vouchers are a means to organize the people around their interests permanently. If we empower ordinary citizens, they will become a mobilized interest in protection of their own well-being, and that will embolden politicians to fight for them.

CITY JOURNAL: Are there any other cities from which you have learned things that have helped you govern Jersey City?

SCHUNDLER: Milwaukee has a school voucher program, and it is moving to see a woman like Polly Williams, who fought the good fight and changed attitudes within the black community. The black elites had been supporting the status quo but eventually were pressured by the rank and file to change their views.

But I don't really look to other cities as direct examples. For the most part I just walk the streets and get my ideas by talking to Jersey City residents. People will tell you what they need—you don't have to be a rocket scientist. If politicians would actually listen to them, most of the problems would disappear.

CITY JOURNAL: New York is in the midst of a mayoral campaign. What lessons should the candidates take from your experience in Jersey City?

SCHUNDLER: A mayor should boldly lay out the solutions to a city's problems. Even if he can't always effect them by himself, he can rally popular support for them. I talked about things in my campaign that were not directly under the mayor's control. But when I walk the streets, people don't want to hear me say, "That's not my job—that's the Federal Government's job." They don't want to hear me throwing blame. They've heard enough of that.

They want to hear me take responsibility and say, "I'm going to try to get it done." They don't begrudge the fact that I can't get everything done, but they want to see me out there fighting for them. What they're electing is not just a technocrat to administer the bureaucracy. They're looking for a leader to make the city better for them.

CITY JOURNAL: Do you think your proactive approach to government could work in a city as large as New York?

SCHUNDLER: I believe that in ten years New York City will be totally transformed—the whole governmental system will be changed. I think that will be the case in Jersey City in four years. The experiments will be done in places like Jersey City, where the problems are perhaps more manageable. Once those experiments have succeeded, they'll be emulated in cities like New York. ■

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RICHARD BROOKHISER

1886: The Men Who Would Be Mayor

New York City has given American politics a number of lively mayoral elections, and is in the process of giving it another. But none was livelier than the election of 1886, which set Abram Hewitt (Democrat), Henry George (Labor), and Theodore Roosevelt (Republican) against one another.

History's subsequent interest in the three candidates has been in inverse proportion to their success here. Roosevelt, who went on to San Juan Hill, the White House, and Mount Rushmore, finished third in the mayor's race. Although he was only 28 years old at the time of the election, he had already served four years in the State Assembly, representing a safe Republican seat in midtown. Roosevelt had made quite an impression in Albany. Years later a former colleague remembered Roosevelt's entrance into his first caucus.

> He wore a single eyeglass, with a gold chain over his ear. He had on a cutaway coat with one button at the top, and the ends of its tails almost reached the tops of his shoes. He carried a gold-headed cane in one hand, a silk hat in the other. . . . His trousers were as tight as a tailor could make them, and had a bell-shaped bottom to cover his shoes. "Who's the dude?" I asked.

The dude had decided to go into the legislature because he wanted "to belong to the governing class" as well as the upper class. Certain of his upper-class sensibilities unsuited him for city politics, however. Roosevelt wanted to raise the license fees for saloons, and he judged the Irish Democrats he met in Albany to be "a stupid, sodden, vicious lot . . . equally deficient in brains and virtue."

In the last year of his second term, the young assemblyman's mother and wife died suddenly, on the same day. Roosevelt finished the session, then spent two years ranching in the Dakotas to restore himself. By 1886, he was ready to go into politics again.

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Theodore Roosevelt as Republican nominee for New York City mayor, 1886.

Henry George, the author and reformer who finished second, had followed a very different career path. A seaman in his teens, he went to California to look for gold and, not finding any, kept body and soul together by odd-job printing. He hit bottom with the birth of his second child.

> I stopped a man [on the street]—a stranger—and told him I wanted five dollars. He asked what I wanted it for. I told him that my wife was confined and that I had nothing to give her to eat. He gave me the money. If he had not, I think I was desperate enough to have killed him.

George eventually moved up from setting type to writing editorials for newspapers. When a friendly politician gave him a job as a gas-meter inspector, he used his free time to write *Progress and Poverty.*

George's book sought to explain why progress and poverty seemed to go hand in hand. San Francisco showed more destitution by the time George got there in the late 1850s than it had in the first days of the gold rush, and old cities like New York showed still more. George's answer was that the greater wealth of advanced societies was sucked up by rents paid to landowners. George's solution was to tax all rent in land at a rate of 100 percent, and to abolish all other taxes and tariffs, thus liberating capitalists and laborers alike.

Progress and Poverty was ardent and earnest, like its author. (In a youthful phrenological examination, George had found the bumps of his head to be "large" in hope, though "small" in mirthfulness.) The book achieved international fame in 1882 when George toured Ireland and took the side of the peasants against their landlords. Four years later New York's fledgling Labor party asked him to help the underdog at home by running for mayor. A Democratic hack warned George that, however many votes he got, he would lose, since he would be "counted out," and offered him a congressional seat instead. George asked why, if

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he was sure to lose, the Democrat wanted him to withdraw. Because "your running will raise hell," the Democrat replied. George decided to run.

Abram Hewitt, the winner, is not totally forgotten today, for his name is preserved in the Cooper-Hewitt Museum. Hewitt was the son of a failed furniture maker, but his father had known Peter Cooper, the inventor and manufacturer. Hewitt started an iron mill in Trenton with Cooper's son, married Cooper's daughter, and was worth $175,000 (a cool million today) by the time he was thirty.

Hewitt was an old-fashioned Jackson Democrat, for low tariffs and hard money. Since 1874 he had represented New York's Tenth Congressional District, which covered the Lower East Side and his own neighborhood, Gramercy Park. Hewitt had a better opinion of Irish Democrats than Roosevelt had. In Hewitt's first congressional campaign one of his young political operators, named Richard Croker, was charged with murdering a rival statesman during an election-day brawl. Hewitt paid for Croker's lawyer, and the case ended with a hung jury. In the summer of 1886, Croker became the leader of Tammany Hall.

How savvy was Hewitt? The question arises because his most notable political activity had been managing Samuel Tilden's presidential campaign in 1876. Tilden let the presidency be stolen from him by Republican fraud, but historians blame the candidate himself, not Hewitt, for bungling the endgame. In the small world of the city, Hewitt seemed cunning enough.

Each candidate led a divided party. For more than ten years there had been two Democratic organizations in New York: Tammany Hall, which was trying to recover from the fall of Boss Tweed, and the County Democracy, a reform movement to which Hewitt belonged. But the differences between them were slight. Tammany had renounced gross thievery for patronage—what George Washington Plunkitt would later call "honest graft"—while the County

Courtesy of The New-York Historical Society, New York, NY

Joseph Keppler cartoon showing Henry George planning his mayoral campaign (*Puck*, November 3, 1886).

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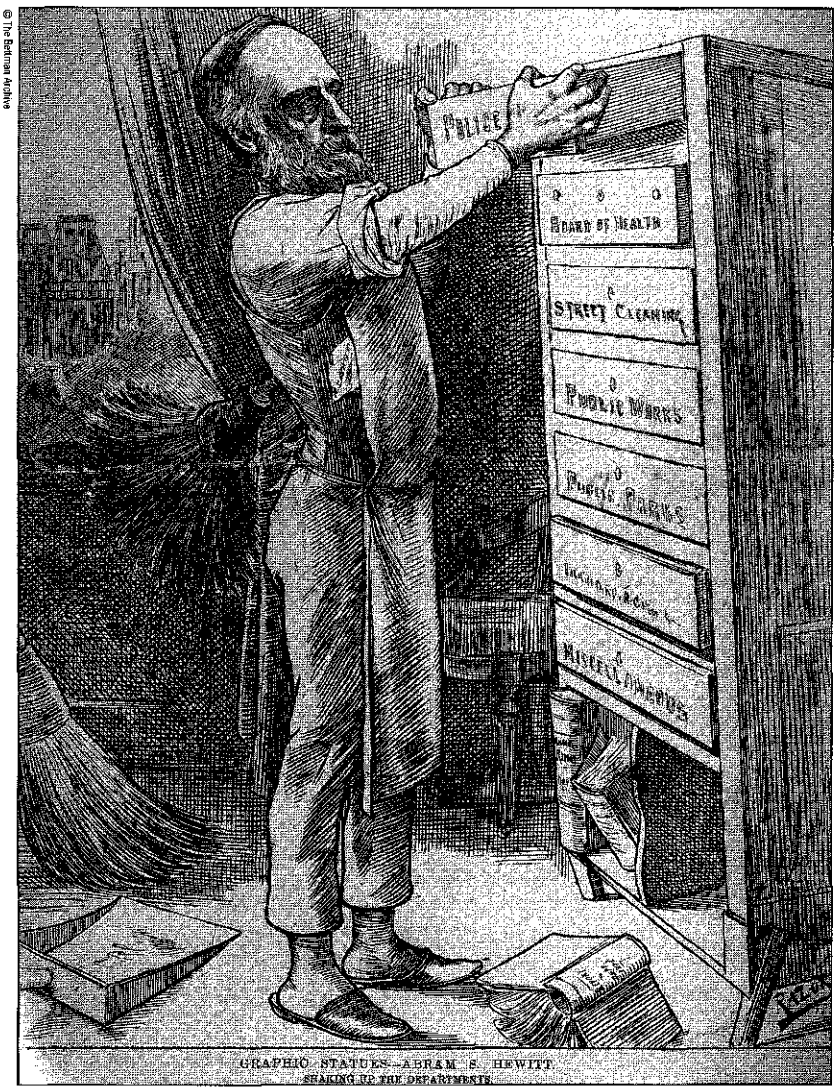

Abram S. Hewitt, mayor of New York, cleaning house after his election in 1877.

Democracy was itself a typical political machine. The common threat of Henry George drew the Democrats together, and Hewitt was nominated by the Tammany faction's convention on October 11. When reporters brought the news to him at his brother-in-law's house, Hewitt professed to be surprised, but he must have been in the know.

The Republicans had their own old guard and reform wings. Neither counted for much in New York City, but the machine of the old guard occasionally made deals with Tammany Hall in return for support in state or national elections. Roosevelt had a family grudge against the machine because it had blocked his father's appointment as collector of customs nine years earlier—in a fight so bitter it may have hastened the senior Roosevelt's death. The machine was now run by Thomas Collier Platt, or "Lean Rat Platt," as Vachel Lindsay would call him. The Republican convention picked Roosevelt on October 15, while he awaited the news at the Union League Club.

Henry George had the support of an assortment of cranks and rabble-rousers, including Karl Marx's daughter. The four-year-old Labor party had assured him that he could count on thirty thousand supporters, and it had a platform calling for a list of liberal measures, including building codes enforced by inspectors and noninterference by police in strikes. But George saw the campaign as a way to promote his tax plan, even though he admitted he could not implement it from City Hall. George accepted Labor's nomination in a meeting at Cooper Union on October 5.

By today's standards the campaign passed in the blink of an eye. The weather throughout was foggy and damp. Roosevelt and George both gave numerous speeches, an innovation for those days. George sometimes spoke from carts in the street; Roosevelt stuck to halls. Hewitt, the front-runner, issued statements. The major papers supporting Hewitt were the *Daily News*, *Evening Post*, *Herald*, *Sun*, and *World*; Roosevelt had the *Times*, *Tribune*, *Commercial Advertiser*, and *Mail & Express*. In George's corner stood only the *Irish World*, the *Volkszeitung*, a German Socialist paper, and his own campaign sheet.

Hewitt's strategy from the outset was to demonize George. "An attempt is being made to organize one class of our citizens against all other classes," Hewitt

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wrote in the letter accepting his nomination. "The ideas of anarchists, nihilists, communists, socialists, and mere theorists" were arrayed against "the democratic principle of individual liberty, which involves the right to private property. . . . The horrors of the French Revolution and the atrocities of the [Paris] Commune," Hewitt declared, "offer conclusive proof of the dreadful consequences of doctrines which can only be enforced by revolution and bloodshed."

The Hewitt strategy imposed on George the task of trying to make two points at once: denying that he was a monster, while simultaneously stoking the expectations of his supporters.

> We have hordes of citizens living in want and in vice born of want, existing under conditions that would appall heathen. . . . Is this by the will of our Divine Creator? No. It is the fault of men; and as men and citizens, on us devolves the duty of removing this wrong. . . . We are beginning a movement for the abolition of industrial slavery, and what we do on this side of the water will send its impulse across the land and over the sea, and give courage to all men to think and act.

Was there any reason, apart from expediency, for Hewitt's harsh and dishonest characterization of George? Hewitt thought of himself as an industrial moderate; he had made a speech eight years earlier to a Christian group urging, without defining, cooperation between labor and management. He had offered to sell his plant to his workers, if they could raise enough money to compensate him, which of course they couldn't. George on the other hand was a true believer: since land belonged to the community as a matter of right, the profits landowners made from renting it out should be taken in taxes. George's radicalism was narrow, but within its limits, uncompromising. Hewitt, perhaps sincerely, felt it prudent to fear the worst.

Roosevelt was relegated to the sidelines of this class war, though he got in a shot at a Labor-party official who accused him of belonging to the landlord class. "If you had any conception of the true American spirit," Roosevelt replied, "you would know that we do not have 'classes' at all on this side of the water"—apparently the side, that is, opposite the side where "sodden" Irishmen originate. Hewitt, who was old enough to be Roosevelt's father, treated him as a fine young man who had a brilliant future ahead of him but warned that every vote he took now was in effect a vote for the hellish George.

The Catholic church got into the race in the homestretch. One of George's staunchest allies on the Irish land question was Father Edward Glynn, pastor of St. Stephen's on East 29th Street, who considered George "one of the greatest geniuses that the world has ever seen." But Glynn was ordered not to politick for the duration of the campaign. At the same time, the Hewitt camp solicited from Monsignor Thomas Preston, vicar-general of the archdiocese, a letter condemning Georgism as "unsound, unsafe and contrary to the teachings of the Church. . . . Although we never interfere directly in elections," Msgr. Preston con-

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cluded, "we would not wish now to be misunderstood at a time when the best interests of society may be in danger." Msgr. Preston's statement of noninterference was distributed at church doors the Sunday before the election.

Saturday night, George's supporters had paraded through Union Square for two hours in a cold, drenching rain, chanting "Hi ho, the leeches must go." Election day was clear and Indian summery. Early returns showed a heavy vote for George. At two o'clock in the afternoon, Platt sent the word to the Republican machine: vote for Hewitt.

The final tally was 90,552 for Hewitt; 68,110 for George; 60,435 for Roosevelt. Georgeites believed for years afterward that their man had been "counted out," as he had been warned. Undoubtedly, fraud occurred. But the polls had been closely watched, and the larger factor was the Republican swing to Hewitt, which Roosevelt put at 15,000 votes and the Democrats themselves at 10,000.

"This is the end of my political career," a downcast Roosevelt told a friend, then sailed for London, where he married his second wife in December.

George soldiered on, urging men to think and act. Probably the major effect of his exertions was to prepare the way for socialism, a doctrine he deplored. He ran for mayor again 11 years later, despite ill health, and died of a stroke four days before election day. A dwindling band of followers honored his memory. When Henry George Jr. visited the aged Tolstoy, the writer said, "I shall see your father before you do. What shall I tell him?" "Tell him I kept the faith," the son answered.

Hewitt had a troubled term. He alienated Tammany Hall (despite reappointing Richard Croker fire commissioner), for he cracked down on gambling, whoring, and saloons that broke the blue laws, and he refused to review the St. Patrick's Day parade, on the grounds that he reviewed no others. Clearly his cunning had deserted him. When he stood for reelection two years later, Croker and Platt combined to unseat him. ■

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BROOKE ALLEN

New York's Trollope Society

With the universities narcissistically consumed by the culture wars, race and gender studies, and other curiosities of the 1990s, it is heartening for simple book lovers to discover there is a flourishing society devoted to promoting study of the works of Anthony Trollope. Though his values are middle-class and his aims unabashedly didactic, Trollope's novels—especially the ecclesiastical Barsetshire series and the political Palliser one—are almost as well loved now as they were upon their appearance during the late nineteenth century.

The Trollope Society, founded in England in 1987, now boasts an international membership of over four thousand, some 75 of whom joyously convened at New York's Knickerbocker Club earlier this year for their gala annual dinner. Feting the master in a style he would have appreciated, the Trollopians arrayed themselves in black tie and celebrated their hero with much eating, drinking, and toasting.

"It's the high point of the social season," exclaims Brian Bristoll, an animated man of about forty—and he's only half joking. "It's the only event I know that unites Mrs. Astor and the clerk from the New York Public Library." A love of Trollope, he implies, brings together like minds. He should know: he and his beautiful wife, Susanna, spent their

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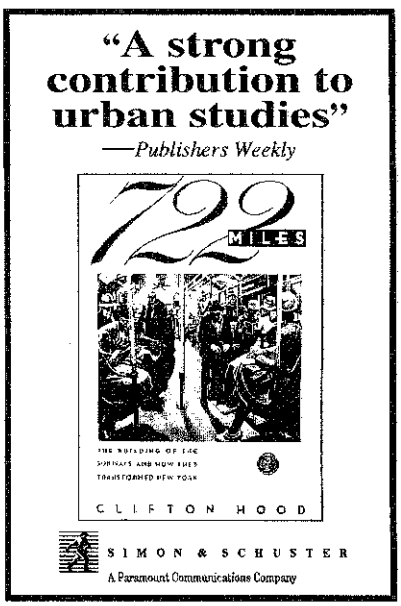
courtship reading Trollope together. Another member confirms this view. The meetings are not just about Trollope, he says, but about the pleasures of reading and bringing together people with a common view of the world.

Years ago Michael Marsh, a private investor based in New York City, read and enjoyed Trollope's Barsetshire novels, a long series treating the intrigues among a group of prelates in an English cathedral town; but he only became a true convert in the 1980s upon reading *The Way We Live Now,* a complex roman à clef about the public scandals and vices of the 1873 London season. "I thought it was about Robert Maxwell," he says, laughing. "It seemed totally appropriate to the whole contemporary world of puffery, aggression, making it." Of course it's a far cry from Anthony Trollope to Tom Wolfe, but there is indeed a connection between the louche society depicted in *The Way We Live Now* and the unabashed greed of the modern era. By the same token, there is something enduring in the appeal of nineteenth-century realism—the moral nuance, private and public politics, and sexual gamesmanship that give substance to the novels of Trollope, Thackeray, and Dickens. The proof of the endurance lies in the fact that Trollope, out-of-date as he might seem, has nevertheless been the subject of no fewer than four biographies in the last five years. Two of these, by Victoria Glendenning and John Hall, have found a surprisingly wide readership, and Ms. Glendenning's recent appearance at the 92nd Street Y played to a packed house. This would seem to indicate a growing interest in Trollope, and in fact the Trollope Society is signing on new members almost every day.

All in all, 1993 has been a banner year for Trollopians, with a memorial to the Master being placed, at long last, in Poet's Corner at Westminster Abbey, near his friend and literary colleague George Eliot. (It is characteristic of Trollope that while he campaigned for the memorialization in Poet's Corner of Thackeray, another friend, he never conceived of such an honor for himself.) The event was marked by a formal dedication ceremony in the abbey, attended by large crowds of well-wishers, including the man who might be called Britain's First Trollopian, Prime Minister John Major. The society's London secretary, John Saumurez-Smith, attended the dinner at the Knickerbocker Club to provide New York City members with an eyewitness account of the event. Saumurez-Smith, the dynamic longtime manager of the superb London booksellers, G. Heywood Hill Ltd., is unstinting in his praise of Trollope's work. Of the forty-seven novels, he insists, thirty are really good—psychologically correct and convincing. Aficionados are not even able to agree upon the ten best, so high is the overall quality. "His women, too, are not just cardboard characters as with so many of his contemporaries. They're flesh and blood," Saumurez-Smith says, pointing out that both Tolstoy and Turgenev envied Trollope's literary abilities.

A smartly dressed woman at my table confesses, disarmingly, that she bought her first Trollope—*Orley Farm*—in the Bloomingdale's decorating department. "It was so beautifully bound that I bought it and took it home with me." After thirty-five years she is still a fan. Her husband, attorney Jacques Schlenger, now collects Trollope first editions and has managed to get his hands on everything but the rare *Nina Balatka*; though he was offered a copy, he balked at the price: eight thousand pounds.

The couple, like the speaker of honor, Judge Francis Murnaghan, had traveled to New York City from Baltimore for the dinner and the talk by Trollope biographer N. John Hall—a long distance but hardly the longest undertaken by the intrepid Trollopians. Frank Johnson, a software designer, came all the way from Santa Cruz, California, especially (well, almost especially) for the event. When he speaks of Trollope, Johnson's cherubic face



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lights up. "Trollope's books are very different from the stereotypes we have about the Victorians," he says. "We always think the Victorians held moral certainties, but I would say that Trollope deals with moral uncertainties. There are many shades of gray in his thought. But in order to have moral agonizing, of course, you have to have some morals to agonize over."

The English branch of the society is currently producing a uniform edition of Trollope's complete novels, with the original illustrations. Four novels are being published each year, and the project will be completed by the year 2000. It also puts out a quarterly publication, *Trollopiana*, which contains short scholarly essays on Trollope. The American society holds an annual fall lecture in September, and members will reconvene this November for a trip to Princeton University to see its impressive collection of Trollope manuscripts. But the society is more convivial than scholarly, providing an opportunity for its members to meet fellow enthusiasts. Last year's Christmas party was deemed a great success—the principal event was a port tasting—and another is planned for this December.

Unlike members of the Dickens Society, for example, the celebrants at the Knickerbocker Club are laypersons rather than specialists, people of the world rather than hard-core intellectuals. It is fitting that the pragmatic, worldly Trollope should claim a special allegiance from politicians: Senator Daniel Patrick Moynihan and six former members of the Thatcher cabinet are members of the society. Trollope is also a favorite with diligent literary craftsmen. Mystery writers P. D. James and Ruth Rendell are fans, and novelists Louis Auchincloss and Robertson Davies are on the society's literary board.

Why the renewed interest in Anthony Trollope? Perhaps it is because the values he exemplifies—common sense, decorum, and modesty—are values that, while unglamorous, have proven to be above price in this century of violence, upheaval, and hatred. Perhaps the collapse of the arrogant greed of the Eighties has brought about a gentler, more

Novels of Anthony Trollope

The Macdermots of Ballycloran	1847
The Kellys and O'Kellys	1848
La Vendée	1850
*The Warden	1855
*Barchester Towers	1857
The Three Clerks	1858
*Doctor Thorne	1858
The Bertrams	1859
Castle Richmond	1860
*Framley Parsonage	1861
Orley Farm	1862
The Struggles of Brown, Jones, & Robinson	1862
Rachel Ray	1863
*The Small House at Allington	1864
†Can You Forgive Her?	1865
Miss Mackenzie	1865
The Belton Estate	1866
The Claverings	1867
*The Last Chronicle of Barset	1867
Nina Balatka	1867
Linda Tressel	1868
†Phineas Finn: The Irish Member	1869
He Knew He Was Right	1869
The Vicar of Bullhampton	1870
Sir Harry Hotspur of Humblethwaite	1871
Ralph the Heir	1871
The Golden Lion of Granpere	1872
†The Eustace Diamonds	1873
†Phineas Redux	1874
Lady Anna	1874
Harry Heathcote of Gangoil	1874
The Way We Live Now	1875
†The Prime Minister	1876
The American Senator	1877
Is He Popenjoy?	1878
An Eye for an Eye	1879
John Caldigate	1879
Cousin Henry	1879
†The Duke's Children	1880
Dr. Wortle's School	1881
Ayala's Angel	1881
Kept in the Dark	1882
Marion Fay	1882
The Fixed Period	1882
Mr. Scarborough's Family	1883
The Landleaguers	1883
An Old Man's Love	1884

*Novels in the Barsetshire series, which portray clerical life in the cathedral towns in the south of England.
†Novels in the Palliser series, set against the background of mid-19th century politics in Victorian England.

Sem caricature courtesy Department of Rare Books and Special Collections, Princeton University Libraries

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introspective sensibility that is capable of appreciating Trollope's unpretentious virtues.

Anthony Trollope's attitude toward his own endeavors was singularly unromantic. He wrote for two-and-a-half hours every morning, cutting off at the end of that time even if he happened to be in the middle of a sentence; he scorned the notion of artistic inspiration, wrote all his novels in the time he could spare from his demanding career in the postal service, and relished the money he earned from his literary labors. His reputation suffered accordingly, and his admirer George Bernard Shaw noted that "society has not yet forgiven that excellent novelist for having worked so many hours a day, like a carpenter or tailor, instead of periodically going mad with inspiration and hewing *Barchester Towers* at one frenzied stroke out of chaos, that being the only genuinely artistic method."

But though Trollope may have lacked the social passion of Dickens, the Romantic fervor of the Brontës, or the intellectual rigor of George Eliot, he—and his readers—exude tolerance, civility, and humor. At the Knickerbocker Club, Judge Murnaghan's address on "Trollope and the Irish" was delivered with a minimum of pedantry, a maximum of anecdote. "When I was in college," he related, "I would take advantage of the difference between the small and the capital Ts and back out of dates I'd made by saying I had to spend the evening in bed with a Trollope." His genteel audience laughed with as much enthusiasm as if they had been listening to Noel Coward himself. ■

CHARLOTTE ALLEN

The White Elephant on the Potomac

More than two decades after its completion in 1971, Washington, D.C.'s massive John F. Kennedy Center for the Performing Arts still receives reverential treatment in the press and public mind. It is a shrine, after all: a national temple of high culture and the nation's only official monument to the dead president. The Kennedy Center is also formidably large. It is a multi-hall complex—what Lincoln Center might be like if all its symphony, opera, dance, and theater spaces were under one roof, packed into a giant marble-clad shoebox. Looming over the Potomac, the Kennedy Center is impossible to miss from the several roads and bridges leading into the District of Columbia.

Nonetheless, the center has been a disappointment from the very beginning. Few Washingtonians have ever really liked the design by Edward Durrell Stone. The center has never been able to break even financially, even though the National Park Service pays for the maintenance of the buildings and grounds as a national monument. It has never quite lived up to artistic expectations either; its musical and theatrical fare has flailed between the dazzlingly original and (much more often) the mind-numbingly middlebrow. Finally, the Kennedy Center is physically falling apart after only 22 years, despite several major structural repairs.

Built upon the promise that it would be entirely self-supporting, the Kennedy Center needs, or at least consumes, ever-larger federal subsidies and bailouts in order to keep raising its curtains. While some might wonder whether it is worthwhile—or fair—for the nation's taxpayers to pick up an increasing share of the center's bills, its current chairman, James D. Wolfensohn, has been trying to reposition the Kennedy Center so that it will stay on the government dole forever. He wants Congress to turn it into a full-fledged autonomous government institution.

As a concept, the Kennedy Center has been through a number of permutations. The idea for a "national cultural center" predated Kennedy's presidency by several years. It was the height of the Cold War, and many in Washington thought of art as an extension of war by other means. The Soviet Union's Bolshoi Ballet, with its international luster and technical virtuosity, represented a cultural threat to American interests akin to the nuclear threat of the Soviets' weapons arsenal. There was also a push to build a national auditorium of a size and splendor deemed suitable for the capital of the free world (the city's existing concert halls and theaters, most of which are still in use today, were considered too puny to impress America's allies and enemies).

Congress set up a commission in 1955 to devise a plan for the new auditorium. The commission came back two years later with a design (later translated by Stone into drawings) that was Stalinesque in proportions: a "great hall" seating ten thousand

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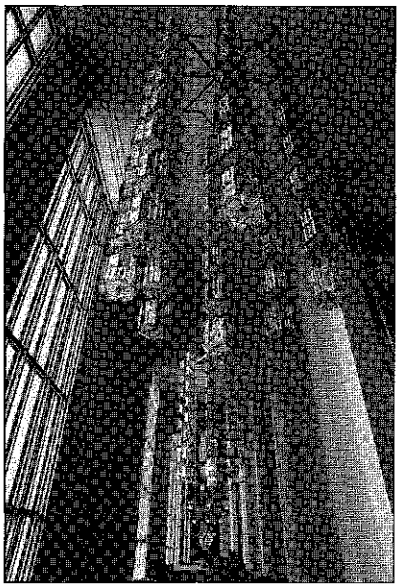
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Grand Foyer, Kennedy Center

people, which would be used for presidential inaugurations, flanked by several other huge theaters. The commission also picked the site on the Potomac where the Kennedy sits today: a rolling 17.5 acres (the original design called for 27 acres and would have encompassed all of what is today the Watergate complex) far away from the rest of downtown Washington's nightlife. High culture and bucolic settings went together in the commission's thinking.

President Eisenhower, a Republican who did not believe that the Federal Government should involve itself in arts funding, insisted that the center should be constructed with private funds raised by its board of trustees; the government would contribute only the land on which it was built. With that proviso, Congress approved legislation for the culture palace in 1958.

Fund-raising proved to be murder from the very beginning. From 1959 to 1961, the trustees raised only $3 million out of the $75 million (about $375 million in today's dollars) that architect Stone estimated it would cost to build his version of the commission's plan: a glass-fronted clamshell whose grand salon would be accessible by barge from the Potomac. The trustees ordered Stone to substitute a cheaper design. He scrapped the inaugural hall, reduced the size of the theaters, and gave the building a rectangular shape. Perhaps it was the haste in which Stone made his changes, but he neglected to include any office space in the outsize building. Windowless rabbit warrens were later carved out alongside the theaters for the staff.

Meanwhile, John F. Kennedy became president. An admirer of André Malraux, the novelist and existentialist philosopher who became France's minister of culture under de Gaulle, Kennedy liked to talk about art's "spiritual" dimensions, giving the planned center a quasi-religious aura as a temple consecrated to the sacred power of art. For all his high-flown boosting, however, Kennedy raised relatively little in additional donations for the center. He did, however, begin a process of quietly arranging for the Federal Government to pick up some of the construction tab, working out a deal (never consummated) to have the Interior Department pay for the parking garage.

In the end, it was Lee Harvey Oswald who got the Kennedy Center built. Within two months of Kennedy's assassination, the center's board sold the project to Congress as a monument to the late president, persuading lawmakers to cobble together a $31 million loan-and-grant package to finance construction. Digging began in December 1964. It was not the ideal time to hollow out frozen earth, but Roger Stevens, the center's first board chairman, who had played a major role in wringing the construction funds out of Congress, wanted a hole in the ground as soon as possible. Erection of the center took nearly seven years, delayed by union bickering, architectural squabbles with Stone, and $20 million in cost overruns that Congress gamely covered. The center ended up having to repay almost nothing on its construction loans. Congress forgave $33 million in accumulated interest in 1984 and virtually forgave some $20 million worth of unpaid principal as well, putting the center on a long-term repayment schedule at a mere $200,000 a year.

The year after construction started, nearby National Airport received permission to handle jet aircraft, necessitating costly insulation of the Kennedy Center's roof, walls, and windows. Stevens tried to save money elsewhere by soliciting some of the center's trimmings—stage curtains, chandeliers, and the like—from friendly foreign governments. Italy chipped in with 3,700 tons of Carrara marble to face the exterior. Unfortunately, that was far from sufficient to meet Stone's specifications for an 8-inch-thick coat for the building. So the contractor settled for a seven-eighths-inch-thick "skin" of marble bonded to a concrete slab. The experiment in cost-cutting proved to be a long-term mistake, for the marble veneer has gradually begun detaching itself from its concrete

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backing, resulting in cracks, chips, and buckling all over the Kennedy Center's surface. The flat, heavy roof has also proved structurally problematic. Built to ward off noise, the roof apparently was not built to withstand rain and snow, and there have been several multi-million-dollar repairs to it and to the center's chronically flooding parking garage—paid for by Congress, of course.

Stone's oversimplified design for the Kennedy Center, grandiose in concept but executed on the cheap, yielded a building impossible to love. With its lidlike roof and quadriform shape, the center resembles nothing so much as a colossal replica of a plastic Kleenex-box holder. Inside, two 260-foot-long flag-hung corridors, the Hall of Nations and Hall of States, trisect the building into the spaces for its three ground-floor theaters. Both corridors end at the Grand Foyer, an enormous 40-foot-wide room that runs the entire 630-foot length of the building (you could lay down the Washington Monument inside the Grand Foyer and still have 80 feet to spare). Acres of lipstick-red wall-to-wall carpeting cover the floor, crystal chandeliers weighing a ton apiece hang from the ceiling, and what are surely the world's largest living-room drapes shade a row of 60-foot-high aluminum-framed windows facing the Potomac.

Simultaneously forbidding and tacky, pretentious and cheesy, the Kennedy Center impresses Washingtonians but has never managed to win their hearts. It doesn't help that the site is physically and psychologically remote from the rest of Washington, cut off by a fettucine Alfredo of expressways that channel commuters back and forth from suburban Virginia. Even the nearest subway stop is a roundabout ten-minute walk away.

"Sometimes you don't like something at the beginning, but you sort of warm up to it as time passes," the *Washington Post*'s architectural critic, Benjamin Forgey told Washington's *City Paper*. But "with the Kennedy Center, you don't warm up to it. It's not a fun place to be. The best you can say about the building is that you can walk around the terrace and get this wonderful view of everything."

Some five million tourists a year visit the Kennedy Center, but they generally don't stay long. Despite the Periclean expectations of those who conceived of a national arts palace, high culture isn't much of a draw for out-of-town visitors. When the center first opened, wild-eyed JFK fans tore out light fixtures, faucets, and chunks of marble to take home as mementos of their assassinated hero. Nowadays, visitors tour the place strictly to marvel at how anything could be that big (and boring) and to take in the spectacular trans-Potomac view. They pay scant attention to the center's hagiographic cynosure: a seven-foot-high disembodied head of JFK in the Grand Foyer that looks as though it was cast out of chunks of bronze-coated denture fixative. Kennedy Center administrators seem aware that the building is not particularly tourist-friendly and have considered livening it up with interactive television screens.

Artistically, the Kennedy Center is a victim of its size. As a

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one-stop performing-arts center (a concept of the synergistic Sixties that also accounts for Lincoln Center and Los Angeles's Dorothy Chandler Pavilion), the Kennedy Center houses a total of six theaters on two floors: a 2,750-seat concert hall, a 2,250-seat opera house, a 250-seat screening room (leased to the American Film Institute), and three stage auditoriums. To fill these spaces and make them pay, the center's administrators have always leavened the highbrow fare for which the center was planned with lower-order offerings. The Kennedy Center's 365-day-a-year programming menu offers an eclectic range that includes grand opera, chamber music, Shakespeare, Broadway road shows, pre-Broadway tryouts, lite-listening pops, gospel, and Christmas carols.

After a gala opening in September 1971 that featured the premiere of Leonard Bernstein's specially commissioned (and now mercifully forgotten) *Mass*, the Kennedy Center settled into what it is today: a prestigious booking house for shows and performers either from or headed for out of town. Part of the reason for that was the personality of Stevens himself, who reigned over the center until 1987 and tried to cast it in his own likeness. Stevens had been a Broadway producer before his tenure as chairman, and his specialty was splashy Broadway productions, not originality. When he retired, his handpicked successor, Gordon Davidson, continued his programming style, and Wolfensohn, the Kennedy Center's third chairman, has made few changes.

Some of the Kennedy Center's productions—including a run of Robert Schenkkan's Pulitzer-winning *The Kentucky Cycle* scheduled for this fall—have been or promise to be artistically first-rate. The well-regarded but money-losing National Symphony Orchestra uses the Kennedy Center as its home base (and was operationly absorbed into the center in 1986). The Washington Opera Company and Washington Ballet also call the Kennedy Center home. Superstar classical performers and troupes such as Itzhak Perlman and the Joffrey Ballet play the Kennedy Center when they are in town. But the center has no resident acting company, an unheard-of situation for a national theater. The largest of its three stage halls, the Eisenhower Theater, lay dark for much of the 1992-93 season. The moneymaking hit of the Kennedy Center has been *Shear Madness*, a distinctly subbrow comedy/whodunit about hairdressers that has been running for seven years in the Theater Lab, a 250-seat upstairs showroom that was originally supposed to be reserved for the avant-garde and artistically experimental. *Shear Madness*'s success has inspired the Kennedy Center to mount several other laugh-a-minute crowd-pleasers in its smaller performing spaces.

The fact that the Kennedy Center must mount mass-audience fare to fill its massive spaces points to an even more serious problem: the center is almost always in the red, even with an ever-escalating and ever-more-imaginative array of federal subsidies. Not only does the National Park Service pay for its entire plant upkeep and security, but the Education Department also funds an expanding array of programs for schoolchildren and workshops for their teachers. The only aspect of the Kennedy Center that federal tax dollars do not subsidize—at least in theory—is the $60 million annual cost of producing and mounting performances. But even there, the center expects occasional bailouts, despite hefty ticket prices and vigorous fundraising from individuals and corporations.

If Wolfensohn has his way, the umbilical cord linking the U.S. Treasury to the Kennedy Center will become a veritable gas pump. In fiscal 1989, Congress allotted the center a mere (by today's standards) $7

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million: $6 million to the Park Service and $1 million to the Education Department. As soon as Wolfensohn took over, the annual subvention began to top $20 million. Last year, the center lobbied for a bill that would have guaranteed it some $158 million in congressional appropriations over five years.

Most significantly, the Wolfensohn-backed bill would have eliminated the role of the Park Service and Education Department as funding middlemen. The Kennedy Center would have assumed independent bureaucratic status as an originator of "national performing arts education policy and programs" with discretion to contract for its own repairs and capital improvements. It would have become an autonomous bureau on a par with the National Gallery (which gets a $50 million annual direct appropriation from Congress) and the Smithsonian Institution—or, in some ways more pertinently because of its expected funding activities, with the National Endowment for the Arts and the National Endowment for the Humanities.

The thoroughgoing transformation that Wolfensohn's proposals contemplated proved too much for Congress to digest in 1992. He nevertheless came away with a record $24 million for capital renovations, maintenance, and educational programs. For fiscal 1994, he plans to ask Congress for $33 million. He has also been hinting lately that he might jump ship if the Clinton administration does not help him push through legislative changes—as yet undrafted—that would ensure the Kennedy Center both autonomy and a large and steady subsidy stream. "It can limp along and it can grow some deficits until someone bails it out, but it won't do it on my watch," Wolfensohn grumbled to the *New York Times* in April. In a May 12 memo obtained by the *Washington Times*, Wolfensohn told White House Chief of Staff Thomas McLarty that the Kennedy Center was "technically bankrupt" and needed an additional $8 million to $9 million to meet its overhead bills and retire accumulated debt.

One may blame the Kennedy Center's ad hoc programming mix and chronic money problems on Stevens and his successors. But the reality may be that a national cultural center was never a good idea for Washington. In other U.S. cities, it is taken for granted that high culture is for an elite. Possessors of large fortunes provide patronage to the arts, and cultivated people of lesser means—academics, artists, writers—fill out audiences. In Washington, a city with few large private fortunes or first-rate universities and not much of an arts community, the Federal Government has tried to play arts patron by default. In more optimistic times, many even hoped that the government could create a mass market for high culture simply by constructing a massive building to house it.

Because that market has never materialized, the Kennedy Center has had to lard its programs with pops, Broadway reruns, and the everlasting *Shear Madness*—just to keep the doors open. This tactic—using revenues from money-making middlebrow fare to underwrite money-losing highbrow fare—is actually to the Kennedy Center's credit. But it does undercut the Kennedy Center's original raison d'être as a culture palace and make one wonder whether it is worth its overhead. The National Symphony could play in a less expensive but more conveniently located hall downtown. The pop offerings may be better suited for Washington's several newly refurbished commercial theaters. Indeed, the District's most artistically creative stage offerings play in small houses miles from the Kennedy Center.

Wolfensohn seems aware that marketing the Kennedy Center as a national performing-arts showcase is always going to be a tough sell. So as he presses Congress for levels of funding that would have been undreamed-of in years past, it is interesting to watch him subtly reposition the Kennedy Center as an indispensable federal bureaucracy. One way to do this has been to beef up the center's educational mission (and educational appropriations). For example, Wolfensohn has instituted a program of post-graduate training for teachers, who spend a week or so at the Kennedy Center watching plays, examining masks and musical instruments, writing term papers, and, presumably, earning all-important credits that help boost their salaries. Whether the extended field trips yield any benefits to youngsters back home is anyone's guess.

Survival by any means is, of course, the lesson of the Kennedy Center. It may look ugly, seem pointless, and appear on the verge of physical disintegration, but it is actually indestructible. The one thing that those who built it and operate it have learned over the past three decades is how to make it so. ■

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JOHN LUKACS

How Certain Foreigners Saw New York

For more than a century, New York was the wave of the future and the repository of some of the best products of Western civilization. Not only its museums, libraries, and art collections, but the city itself has been such a product. Naturally, it has been the object of intense interest and scrutiny by foreign writers, among whom Paul Morand, Jan Morris, and V. S. Pritchett are three of the most engaging. In their respective recollections they describe the city in 1929, 1945, and 1964. It is not only their unusual perspectives, but the details they record that remain compelling, and while they contribute to our historical knowledge, they contribute even more to our historical understanding.

Allow me to insist on the precision of my title. "Foreigners in New York" will not do—since almost throughout its history at least one of every four inhabitants of New York was, and is, a foreigner. "Visitor" will not do, either, because most visitors to New York are Americans, for whom seeing and experiencing New York is not comparable to the experience of a foreigner. Someone could render future historians of the city a valuable service by publishing an anthology in two volumes, one including impressions of New York at various times of its history written by Americans, the other by foreigners. The two volumes would be very different.

Paul Morand, 1929

Paul Morand was a very intelligent and unusual French writer, largely forgotten now, though there is some reason to believe that his reputation may rise. He was a Parisian man of the world rather than an intellectual, and—what was relatively rare in the 1920s—a Frenchman who knew English well and was at home in England. In his book *New-York*, published in 1930, he writes: "I understand it because I had spent ten years in England."

Morand was in New York four times between 1925 and 1929. Well-mannered and well-dressed, precise and handsome, he was received almost everywhere; yet he is acidly critical of the upper class. In *New-York* there is a sense that the luxurious and urbane elegance of the Twenties, with its great automobiles, lacquer, jewels, blazing lights, furs, and perfumes, will soon fade. But even as Morand deplores this luxury and self-consciousness, he knows upper-class society from the inside, and his best writing in *New-York* is in his description of it, even when he is wrong.

Did the upper-class society of New York really "learn their grand English manners from Ouida and Marie Corelli" (end-of-the-century sentimental novelists)? The exactitude of their fashions he finds slightly frightening, "une politesse terrible." On the Upper East Side people dress more than in Paris; the women wear silk gowns and pearls even in the morning, as though going to a grand tea or garden party, and the men will not allow themselves to wear a soft hat or collar or any but black shoes until later in the day. About the margins of society Morand is a good observer as well: "With death in their souls, foreign golddiggers incessantly pan and rinse the golden sands of Park Avenue, where many a foyer is filled with dispossessed German princes, White Russian grand dukes, magicians, chocolate-skinned diplomats, fashionable psychoanalysts and demanding ladies of the Old World with steel traps behind their smiles." About Fifth Avenue he is acid and admiring at the same time. "The American woman conquers the pavements of this Fifth Avenue with an air of assurance, of happiness, and of a superiority that is (almost) depressing. She does her errands before going to lunch at the Ritz or at the Colony."

Morand is not very fair (well, fairness is an English and not a French virtue) and sometimes not entirely honest either. "I have a great weakness for the common people of America, they are the kindest," he writes. But he keeps repeating the contemporary bromide that "the Jews own New York, the Irish run it, and the Negroes enjoy it." He likes the Negroes of Harlem more than he likes Jews; the Italians are hardly assimilable.

But Morand was a good observer with an eye for interesting and, sometimes, significant details. In 1929, the price of food in New York was cheaper than in Paris, surprising at a time when the dollar was the most admired and expensive currency of the world. He dislikes the speakeasies ("I cannot think of anything sadder") where a

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bottle of champagne costs $40 and cognac $12. At the same time a sprightly woman tells him that she likes prohibition because of the speakeasies: "Before them, no decent woman would go into a bar; now no one remarks us for that." The men in New York "telegraph, send cables, supercables, night-letter cables, but never write a letter." (Perhaps fax and E-mail are not so new.) On the more serious side, he notes that in Yorkville, the German district, "certain cafés are the meeting places of racists: 'Jews Not Wanted' is on their doors." (This four or more years before Hitler comes to power in Berlin.)

He reports odd linguistic details: the "burlesk," originally a Central European importation, is still so spelled around 14th Street, but it becomes "burlesque" north of 34th Street. High New York society speaks French fluently, especially the women: "like the Russian aristocracy before the war, 'parler français c'est elegant'." The New York intellectuals pretend, rather than speak, French well. He lists some of their favorite French words in their articles and books: "cachet," "coterie," "ingénue," "blasé," "recherché," etc. He himself misspells "shop-suey" and "chow-mien."

Morand dislikes the Statue of Liberty by Bartholdi, "an Alsatian, glacial practitioner of the Ary Scheffer atelier"; Broadway, "the heart of Manhattan"; and the new Roxy Palace, "a profanation of everything of music, of art, of love, of colors. Here I may have had a complete vision of the end of the world." (His view was shared by another Frenchman, Denis de Rougemont, who wrote in December 1940: "Above everything, I felt despair everywhere . . . in Times Square, the state of the world where the soul is absent.") He admires City Hall, "not faux Louis XVI, as the Woolworth Building is false Gothic," and Washington Square's "red houses, with their green doorways and shutters; the afternoon sun enriches them, it gives to them, like to the furniture and the period a magenta velvet tone. . . . These houses in the old American style have a noble breed and Washington Square with its thin trees and dry lines make me think of an early Corot."

In his conclusion, Morand writes that he "followed no other method of telling about New York than to show what pleased me. . . . And I tried to remain as foreign as I could, to explain it best to other foreigners. . . . I love New York because it is the greatest city of the universe and because its people are the toughest, the only people who, after the war, went on building, and who do not merely live on the capital of the past, the only ones, besides Italy [Morand admired Mussolini], who do not demolish but construct."

But in the end this urbane and reserved writer becomes an apocalyptic visionary. "When the globe turns cold, this city will have marked the hottest moment in the history of man. . . . New York. Will it explode one day? Nothing can destroy Paris, unsinkable vessel. Paris exists in me, it will exist in spite of God, like Reason itself. That often makes me love it less. But I am not always sure of that marvelous present that New York is. What if it wasn't but a dream, a prodigious attempt, an avatar, of an ephemeral renaissance, a magnificent purgatory? Will the

Courtesy of The New-York Historical Society, New York, NY.

House of Weyhe, dealer in art books, 1928.

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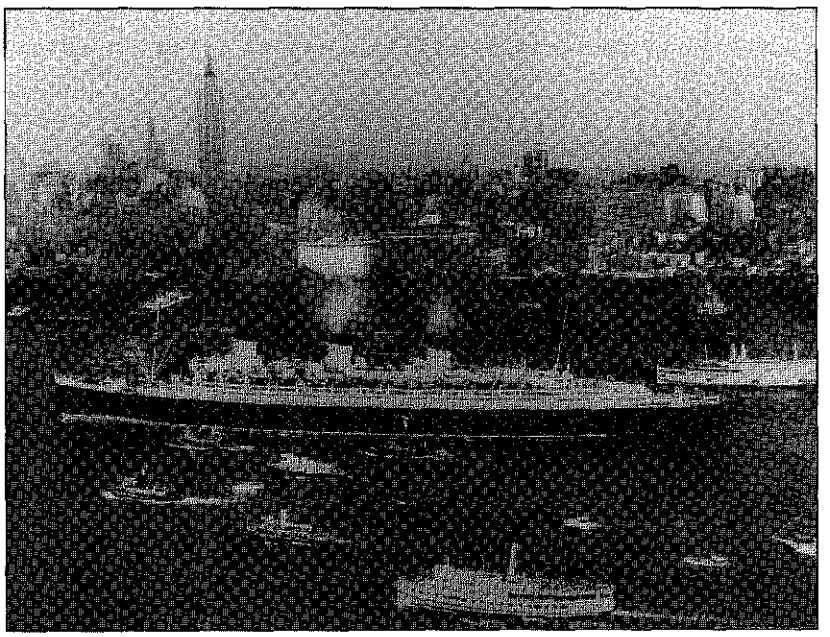

South Street Seaport Museum

Maiden voyage of the Queen Mary, New York Harbor, 1936.

Atlantic waves wallow one day over those red rocks that was New York and that no longer is, and then nothing will trouble the decline of that once incessant agitation of a world?"

Jan Morris, 1945

The best foreign writers about New York are often English, and Jan Morris is among them. Of course language is one of the main reasons for this (despite the witticism about America and England being two countries separated by a common language) as is the advantageous perspective of the English on America—not hopelessly far and yet not too close. Another is the English tendency to describe rather than to define. Last but not least, British people are well-treated in America, which almost invariably affects their impressions.

In *Manhattan '45*, Morris sets out "to evoke the unexampled island at that unrepeatable moment of its history." In fact, Morris first came to New York in 1953, and one may quibble about how much material in the book she took from things written well before or after that year. Yet in the end this doesn't matter much. Her point is that 1945 in Manhattan was unique. "I chose the title *Manhattan '45* because it sounded partly like a kind of gun, and partly like champagne, and thus matched the victorious and celebratory theme of my book. But like bubbles and victories, that moment of release, pride and happiness was not to last."

Frequent readers of Jan Morris (and this writer is one of them) may notice that she is a master at beginning a book—perhaps, never more remarkably than in this one. Her starting vignette describes the early afternoon of 20 June 1945, when the Queen Mary moved slowly through the Narrows into the bay and the harbor of New York, "treading easily towards the city with only a gentle sliver of steam from her funnels," carrying 14,445 American servicemen home from the European War, surrounded and welcomed by an armada of flotillas, fireboats, tugboats, and thumping bands. Cheering wafted shoreward from the great ship as it eased toward a berth along the great city "untouched by the war the men had left behind." Its buildings "stood there metal-clad, steel-ribbed, glass-shrouded, colossal and romantic—everything that America seemed to represent in a world of loss and ruin. . . . This was not only bound to be, in the postwar years, the supreme and symbolical American city. All the signs were that it would be the supreme city of the Western world, or even the world as a whole . . . this crowded island was the head, the brain, the essence of America, and the idea of America was omnipotent then. . . . It was the present tantalizingly sublimated. It was the Future about to occur. . . . The Manhattan skyline shimmered in the imaginations of all the nations."

Here and there Morris exaggerates: "people everywhere cherished the ambition, however unattainable, of landing one day upon that legendary foreshore," and "it was above all a romantic style, Manhattan was as truly romantic as Venice itself." She is also at times overly sentimental about Manhattan in 1945, attributing to New Yorkers a fellow feeling they may never have had: "Manhattan in 1945 does not seem to have

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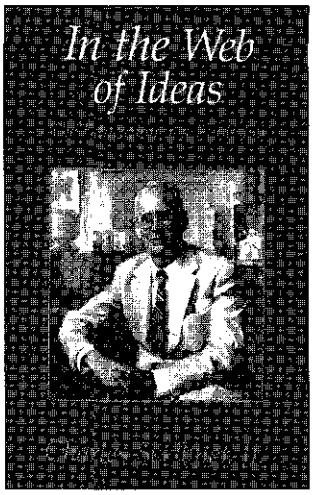
been an envious city." (Had Jan Morris read her Tocqueville, with the latter's maxim that while the dominant sin of aristocratic ages was pride, the dominant sin of democracy was envy?) "Citizenship in this city in itself made for a bond beyond class. To be a citizen of Manhattan was an achievement in itself—it had taken guts and enterprise, if not on your part, at least on your forebears'. The pressure of the place, its competition, its pace, its hazards, even the fun of it, demanded special qualities of its people, and gave them a particular affinity one with another. They were all an elite!"

But one of the great charms of this book lies in her descriptions and details: "New York was indeed the City of the Future. Where else, after all, did businessmen commute to work by seaplane or by speedboat? Where else did security guards look through X-ray mirrors or secretaries drop the morning mail down mail chutes 800 feet long, iced to prevent the letters catching fire? Where else, in 1945, could you have your photograph taken by an unmanned machine (the Photomaton), or go to a theater on the fiftieth floor of a skyscraper (the Chanin building), or for that matter get an electric shock just from touching a door handle, in a city so charged with energy that the very air tingles with it?" On Broadway: "Those neon waterfalls gushing, those illuminated peanuts falling, those smash hits announcing themselves so dazzlingly . . . a fabulous display of electric lights." Sometimes, her observations are improbable, as when she writes that "old Irish ladies of Manhattan still sometimes curtseyed when a priest went by." (If so, only in a parlor, for a bishop.)

In 1945, she writes, the word "'ethnic' had not yet entered the Manhattan vocabulary; only in 1945 (O.E.D.) did it first appear in print as a noun." In the summer of 1945 the *New York Times* found it necessary to report that a thirteen-year-old was found in a doorway on East 83rd Street "suffering from alcoholism and marijuana." In 1945, "black Nationalism was already fierce [in Harlem] but Black Power had not yet emerged, and despite the poverty the social atmosphere was merry. . . ." It was in 1945 that the Puerto Rican migration began to turn into a flood; in 1940 there were 40,000 Puerto Ricans in New York, fifteen years later almost half a million. There were "White Russians, whose best-known area of settlement was the cluster of expensive apartment houses in midtown Fifth Avenue, whence they sauntered ever and again into dinner party and gossip column." She notices a quip in *The New Yorker* in 1945 about El Morocco "where the dress-for-dinner contingent is making its last desperate stand." In 1945 the dry martini is becoming "to the world at large as emblematic of this city as beer was of Munich."

In 1945 there were still trolley lines in Manhattan; three years later some of the old trolleycars were shipped to Vienna "where for years they were to be seen trundling with revived aplomb around the Ringstrasse." She also recalls the "quaintly bobbled and bargeboarded stations [of the El] with protruding windows and fancy balustrades of wood and iron. Steep covered staircases approached



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them from the streets below, and connoisseurs of the urban antique particularly cherished their shabby old waiting rooms, which had pot-bellied stoves in them, hurricane lamps for emergencies, and sometimes stained-glass windows."

New Yorkers thought Central Park "intensely beautiful, and were very proud of it. Foreigners were not always so sure, finding its picturesqueness too contrived and its rocks of greyish basalt rather gloomy." (She is right about this.)

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But in 1945 it was "decidedly genteel. It was a place for family pleasures. No transistor radios blared upon the morning, no buskers twanged their guitars, no wild roller skaters careened around those bosky lanes. Even the jogger was a rare figure, and was generally assumed, if spotted, either to be training for the first postwar Olympic Games, or to be one of those New York eccentrics one had so often heard about. As for crime, police records tell us that in 1945 Central Park was one of the safest places in the whole of Manhattan." That, too, is an exaggeration; but still . . .

Looking back from 1987, Morris writes: "The moment of grace soon passed—it lasted no more than a few years, and by the mid-1950s was fast becoming hardly more than a regretful memory. New York was never to lose its excitement, its power to move, its limitless energy; but never again, perhaps, would it possess the particular mixture of innocence and sophistication, romance and formality, generosity and self-amazement, which seems to have characterized it in those moments of triumph." It was that 1945 moment of American triumph that dazzled Jan Morris in retrospect, and that she evokes so inimitably in the first pages of this attractive book. Yet a sensitive social and urban historian may still arise to suggest that, as for New York, its finest hours were those of the Twenties and even the Thirties—despite that great dazzling sunny afternoon in June 1945.

V. S. Pritchett, 1964

V. S. Pritchett is one of the best English prose writers in this century, though not, like Jan Morris, a travel writer. *New York Proclaimed* is an odd title; but then this is also a picture book, with striking pictures by Evelyn Hofer. It is more than the coffee-table book its format suggests because of Pritchett's interest in the history of the city, which he recounts accurately and intelligently. What is not history in *New York Proclaimed* is description, in plummy but thoughtful prose. It is obvious that Pritchett liked New York and that he felt at home—except for the weather ("a city so violently available to sheets of water"). There is a softened, townhouse atmosphere in the rich pages of this book, even when its writer's mind is exercised by other scenes of the city. Like so many foreigners, he loves Gramercy Park, a kind of visual oasis to his eyes, perhaps reminiscent of a vanished and vanishing London. Some of his impressions may be telling: "To my eye, the balance of racial influence seems to have produced a city nearer to Central Europe and less either Southern European or Atlantic." Harold Nicolson noted something similar in the Thirties.

For Pritchett, New York's turning point was the Thirties; and in 1964, the changes were still all for the better. "By the Thirties it was over. New York changed for good. The period of maturity had begun. . . . Perhaps because it was untouched by the Second World War. It is cleaner, better governed than it used to be. It has been chastened by becoming a conscious part of the world outside. It has become courtly and accueillant to the hundreds of thousands of us who come just to look. . . ." It is pleasant to record that an elderly and thought-

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ful Englishman saw New York evolving that way as late as thirty years ago.

Not everything about New York pleases him, of course. Arrival is awful: he shudders to recall "the long hysteria of the tiled white tunnels that connect Manhattan to the mainland and Long Island by a prolonged madhouse scream. The foreigner coming into the John F. Kennedy International Airport has to endure one of these high-class sewers after about seven hours at thirty thousand feet closer to God than he could have wished." The noise of New York disconcerts him as well: "New York is dotted with screamers on a scale I have seen in no other city of the world, though Naples has its share." Yet this, too "reveals the incessant pressure of the active spirit." The skyscrapers leave Pritchett cold: "The stereoscopic hardness, the unblending, hazeless, hostile separateness of the skyscrapers. Their columns of windows that have not suggested a closer connection with human life than one sees in the columns of other people's bank accounts." But he has many encounters with a pleasant and real generosity among New Yorkers. Whatever New York's drawbacks, he does not miss the grey ice on the faces of many people in London.

Broadway, to Pritchett, is entirely outdated. It evokes nothing except some hits that "have no relation to it, were already gone forty years ago when I was young." He shares the foreigners' lack of enthusiasm for Central Park, "the ground-down gneiss and limestone of the Ice Age which sticks out of the ground in Central Park and Washington Heights." His descriptive passages are often telling: "the wide vale of Harlem . . . as red as cinders in the August fire, hot by the virulent flashing of car bumpers in the sunlight. On damp days the place lay like a mudflat in the fumes of a low city." In 1964 it is no longer "fashionable" or "amusing" to go to Harlem. Like many other foreigners, he finds Greenwich Village faux, though he is amused by some of its people. "In any year one may see the quintessential couple, rather more domesticated than in the past: he, tall and gangling in check shirt, jeans and sandals, with a sort of net haversack on his back containing a baby. An unsmiling youth, he is followed by his plain unsmiling squaw, a stroller containing books, two more unsmiling children, and some groceries. They are the rebellion, the quarrel with society in person. They are moving towards their room-and-a-half, their typewriter, their Fulbright, and their divorce. It is rather touching." (Of course, this scene could have been repeated, and perhaps still is, in cities across the country.)

"New York," V. S. Pritchett wrote in 1964, "is the metropolis of the United States because it is the most *European* [my italics] city in the country, that is to say, it reproduces in miniature the fundamental foreignness of Europe, where we are all foreign to one another." Was it so in 1964? It is not so thirty years later. In 1993 the provenance of people in New York is as much Asian or Caribbean as it is European. Besides, New York reproduces nothing "in miniature"; it is a city where so many impressions, architectural or human, strike one by their unaccustomed proportions. That is as true in 1993 as thirty or even 130 years earlier.

In these writings about New York the city is a symbol of abundance and, above all, of the future. These writers all saw New York's great illusion: of an everlasting present that not only contains the germs of the future but is the future. New York has been the symbol of the American century. Whether America and New York's preeminence will last into the next century we do not know, but we do know that this symbol is still alive—and surely worth preserving. ■

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ROGER STARR

A Stroll Through Battery Park City

Before pulling up stakes, New Yorkers who dream about the quality of life in other cities should consider visiting Battery Park City, the complex of apartment houses and office buildings that stretches along the Hudson River at the southernmost tip of Manhattan. A trip through Battery Park City is likely not only to restore one's bond to fellow New Yorkers, but one's faith in our city's ability to solve some of its problems with imagination, daring, talent, and good luck.

At least three subway lines will take you there, but for a first visit, the best way is to take the PATH train to Hoboken's old Erie Lackawanna ferry terminal. There, one treads a pier to the deck of a gently-rocking pontoon and waits for the next ferry.

The boat ride across the Hudson recaptures the exhilarating but once common experience of transatlantic travelers, whose first sight of New York was the panorama of skyscrapers that came into view as their ships entered the harbor. From the deck of the ferry, Battery Park City comes into focus slowly; unlike many New York projects, it does not assert the right to contain the tallest building in the world. Its office buildings and apartment houses have been designed not to tower over the older city behind them, but to serve as a set of visual stepping stones to the pinnacles of downtown Manhattan.

Battery Park City's land rose out of the water of the Hudson, not as rapidly as Aphrodite perhaps, but with effects equally noteworthy in the long run. About 20 percent of its 92 acres is built on stone excavated to make room for the massive foundations of the World Trade Center, directly east of the development. The rest is sand, millions of cubic yards of it, pumped from the bottom of the Lower Bay and carried to the site in the hold of the suction dredge that brought it to the surface. The same dredge pumped it out into a space in the river isolated from the rest of the stream by a tight line of steel caissons, driven deep into the river bottom and filled with concrete. Every structure in Battery Park City is built on piles driven through the fill of stone or sand and the silt and clay of the river bottom to the bedrock beneath.

Sharon Stern

Winter Garden, World Financial Center

As the ferry approaches its landing spot, passengers can see that the northern part of the site has been sculpted into a sloping lawn of green called Hudson River Park. Between the park and the promenade at the edge of the river, two extraordinary playgrounds have been installed, and children are busy discovering their secrets.

As the ferry noses into its dock space, the visitor sees a cluster of three of the World Financial Center's office buildings and, in their midst, the glass-enclosed Winter Garden—the gateway not only to the financial center, but to the whole of Battery Park City. These office buildings—the only ones in the complex—and the Winter Garden were designed by Cesar Pelli, and financed and developed by Olympia and York. Two of the four are leased to Merrill Lynch, the third is leased to American Express, and the fourth to Oppenheimer and Co. and Dow Jones. The office buildings are dignified (no glass walls here), harmonious, but not identical in color and shape with the others. Despite, or perhaps because of their dignity, they are unlikely to attract the visitors' attention as does that glass house, the Winter Garden.

Only the Grand Central Terminal's main concourse rivals the Winter Garden's grandeur as a public indoor space in New York. From the ferry's landing, one enters through the side doors and is immediately confronted by sixteen royal palm trees whose slender trunks, perhaps sixty feet tall, are capped with fronds that seem to point down the length of the Winter Garden to a wide and majestic sweep of marble steps that

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rises four stories high. Above the steps is a series of darkened doorways. It is easy to imagine that they lead to the shrine of some new religion. Indeed, the visitor is apt to feel that the people around him should be wearing robes of many colors rather than suits and ties, and that white doves flying overhead would be in keeping with the general atmosphere, just as in that other Shangri-la. Actually, the doors lead to a bridge across West Street's six lanes of traffic to the World Trade Center, where, instead of a choir, computers, fax machines, and telexes hum in the background while international deals are made—although not, perhaps, without an occasional silent prayer.

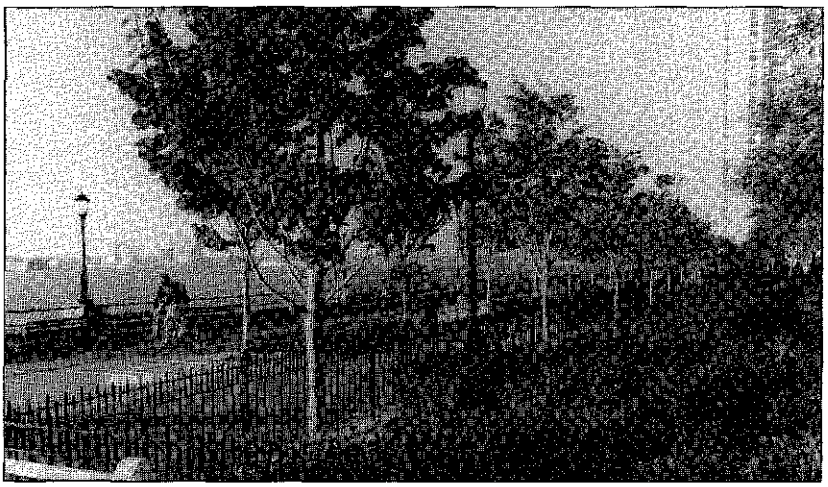
The Winter Garden's round-arched glass roof creates an immense indoor piazza beneath it. Between two of the majestic black pilasters on which it rests is an Italian restaurant, which decorates each table with a large bottle of San Pellegrino water. Last winter, a glass squash court was set up so that a maximum number of people could watch the matches. On rainy days there is nothing to discourage anyone from bringing a lunch and looking out at the masts and antennae of the big yachts tied up in the North Cove yacht basin.

When the weather is nice, visitors should take a walk on the harbor promenade, which stretches for about a mile and a half along the entire length of Battery Park City. Off to the left is the Statue of Liberty; to the right, Ellis Island; directly in front is the revived New Jersey waterfront with the old Colgate clock still there. Standing in the sun, hands on the rail, one may watch as racing sloops toy with each other, skipper to skipper, tack to tack, on the river that not long ago scorned yachtsman who got in the way of heavier water traffic.

It's easy to tell the time of day by noting what is happening on the promenade. Early morning belongs to the runners. Soon after, it is time for school; children dawdle while parents try with modest success to hurry them along. By 11:30, a few couples already bring their lunches from restaurants on the ground floors of the residential and office buildings. By 12:30, all the benches on the promenade have been occupied by luncheoners, some of whom install themselves on the stone seats and table that belong to a sculpture of a ruined Greek temple. Joggers appear later in the afternoon, and, as darkness comes on, there is a faint rustling of bicycles and roller blades wedeling between the walks. In the distance music can be heard, perhaps from a dance or an aerobic session on one of the promenade's wide paved spaces designed for communal activities.

One of the most noticeable features of the promenade is the remarkable landscape gardening that is characteristic of the entire development. Horticulture was no mere afterthought in Battery Park City's planning. Alex Cooper and Stan Eckstut divided the landscape chores between them; Eckstut having chosen the southern portion, his work is more visible at the present stage of development. The green of trees, shrubs, and flowers is a continuous accompaniment of the walk south on the promenade between the apartment houses and the river. At some points, the promenade divides into two parallel lanes, on one of which bicycles and roller skates are forbidden.

It is remarkable that in the relatively narrow spaces between the apartment buildings, the garden design gives the impression not that the green was installed after the buildings were built, but rather that the buildings were built in a green space, graced with trees and plants. The one adverse comment a visitor is likely to hear from a resident on one of the lower floors of



Brian Rose

Battery Park City's promenade

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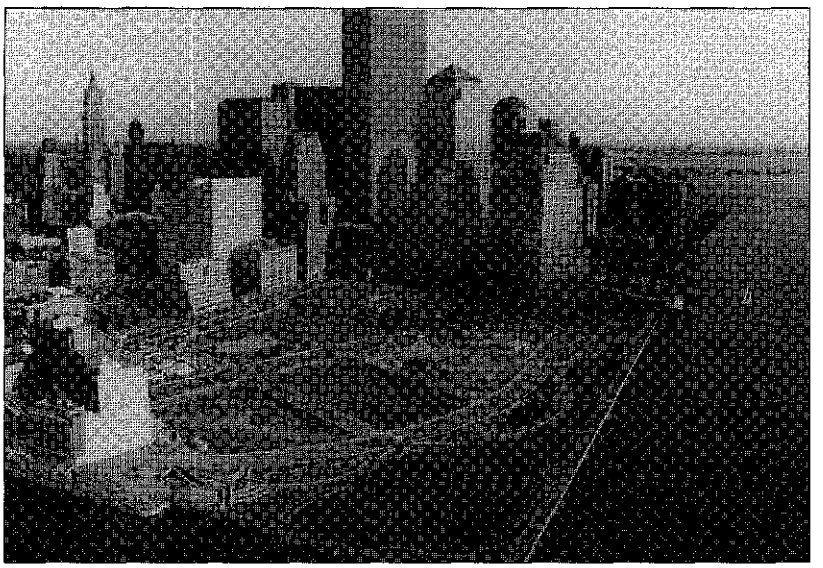
Stan Ries



Battery Park City, looking south from Hudson River Park.

an apartment house is that the trees are growing too well. Their branches, in leaf, obscure the view of the promenade and the river. Some residents are even asking that trees be cut back so that they can see who is doing what on the promenade. Others consider such a suggestion heretical. (Another complaint is that the Greek temple's stone table at which some people eat lunch is used at night for romantic encounters by some of the young bloods of the development. Noisily.)

The view of the buildings on the promenade is obscured by trees, but on South End Avenue, the main artery running north-south, the architecture comes into view with stunning force. The apartment houses on both sides of the avenue have a familiar look about them, as they should. Paul Goldberger pointed out some years ago in the *New York Times* that Battery Park City was designed by people who see the good features in traditional New York City architecture. Not only do the buildings imitate traditional New York apartment houses, but the streets also create the feel of an enclave the way West End Avenue or Tudor City do.

Almost ten years ago, *Urban Land* magazine offered a straightforward recapitulation of the architectural guidelines laid down by Alec Cooper, the authority's architect, and interpreted by Amanda Burden, its planner. Every building is required to build its front base to the property line, thus creating a street wall of all the buildings on the avenue. The first two building levels must be clad in stone, the floors above in brick. (The effect of using new brick was softened by encouraging developers to use brick of a slightly different hue from that of nearby buildings.) On some sites, arcades are required, pushing the store fronts back from the street wall to avoid the impression of shoulder-to-shoulder shopping along the street. Cornices must be emphasized, along with window and corner details at designated heights between the ground and the roofline. Rooftops must look like roofs, not as though the buildings stopped at a certain height because their developers ran low on money.

Only architects and architectural critics are likely to have formulated these rules as the traditional signatures of artful and neighborly design in New York City. But anyone standing at the end of South End Avenue looking north will see buildings reminiscent of West End Avenue apartment houses that have died and gone to heaven. There is a distinct hint of Washington Mews on the street-front wing of a building designed by James Polshek. A walk up South End Street does not, however, suggest a kind of latter-day Williamsburg. It's a lively shopping street on which people are busy doing whatever is done on other such streets the world around.

Battery Park City almost didn't happen. For many years the 92 acres of filled-in land on the eastern edge of the Hudson looked like a big sandy beach mysteriously unused by sunbathers. New Yorkers who survived the fiscal crisis of the mid-Seventies still have a hard time believing that a development as diverse and yet as palpably integrated as today's Battery Park City should have emerged from a site on which no developer was prepared to build.

The idea of building a residential community on filled-in land is said to have been the product of a collision between two active

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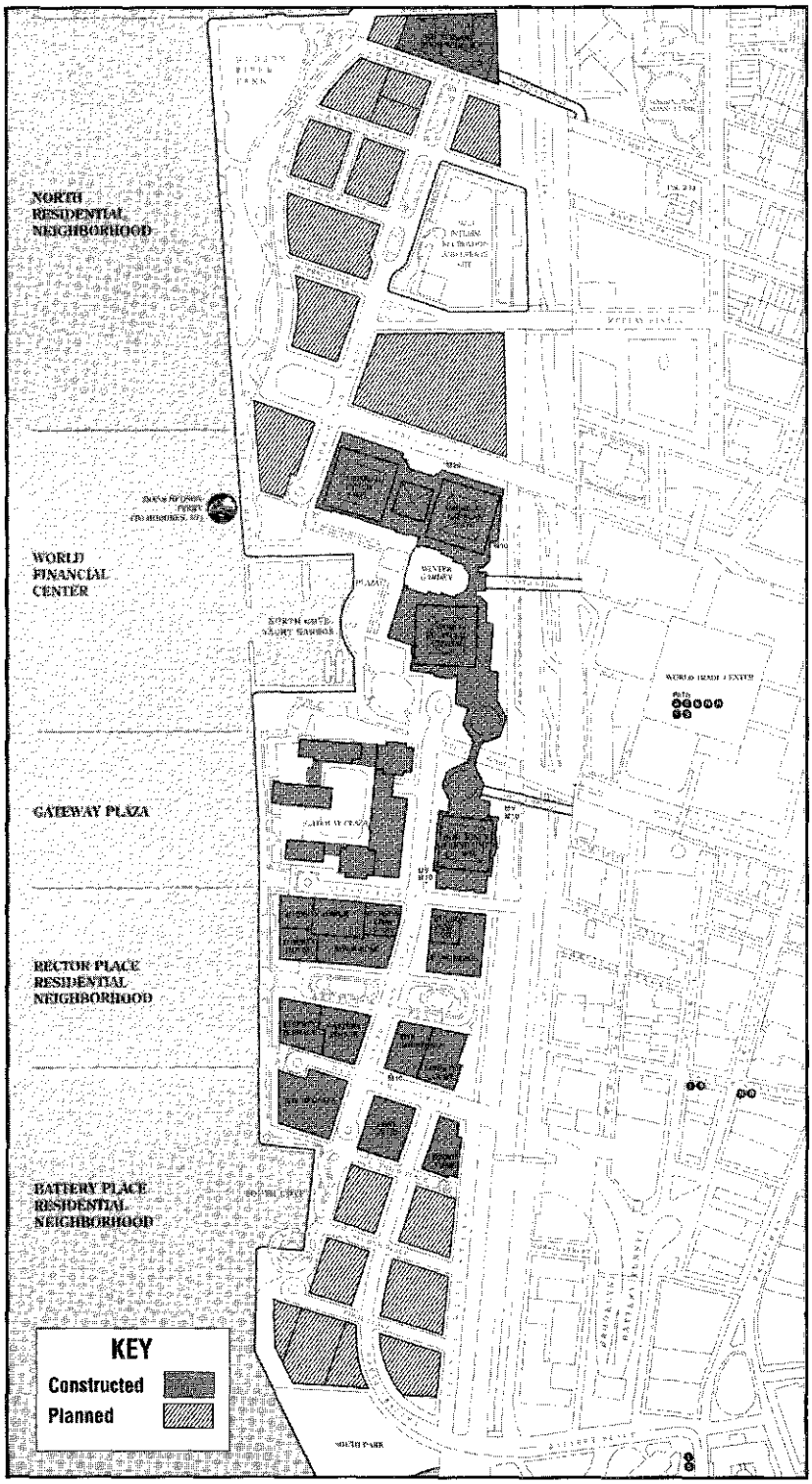
minds—David Rockefeller's and Austin Tobin's. Austin Tobin was then the executive director of what is now the Port Authority of New York and New Jersey. David Rockefeller, of course, was chairman of the board of Chase Manhattan Bank. Mr. Tobin, it is said, wanted to find a nearby, inexpensive place to get rid of the vast tonnages of stone that were being dislodged to make way for the foundations of his agency's World Trade Center. Mr. Rockefeller, whose headquarters were in a new skyscraper in the Wall Street area, and who served as a leader of the Downtown-Lower Manhattan Association, wanted to secure the downtown area as the firmly fixed marketplace of the world's buyers and sellers of money and financial instruments. He reasoned that by building housing in the river, nobody would be displaced by the development (the striped bass whose putative displacement later stopped Westway in the courts were ignored during the construction of Battery Park City) and would make the downtown area a night-and-day neighborhood (he may have been reading Jane Jacobs' book on the life and death of neighborhoods).

Fortuitously, New York State's governor at the time was also a Rockefeller, Nelson Aldrich Rockefeller. He encouraged the state legislature to establish the Battery Park City Authority on the grounds that the project would increase the city's supply of housing. The authority would produce the land and find suitable developers of the prospective housing. Charles J. Urstadt, a former builder and owner of apartment houses, was appointed chairman. The legis-



Courtesy Battery Park City Authority

Map of Battery Park City showing sites of future development.

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lature empowered the authority to issue $250 million in "moral obligation" bonds. The proceeds were to be used to pay for filling in the land and to pay interest on the bonds themselves.

Meanwhile, the project's vaunted purpose—to increase the supply of housing—prompted New York City's political figures to claim a big share of the housing-to-be for their various constituencies. Percy Sutton, then borough president of Manhattan, wanted the lion's share of the housing for people of low income; City Council members wanted it for their middle-income constituents; and the city government, which was to receive payments from the authority in lieu of taxes from the land and buildings, wanted fully taxpaying housing on the site. Naturally, it was difficult for the mayor of the city, John Lindsay, to argue that all (or even a substantial part) of the housing should be for the wealthy.

The original plan for Battery Park City, still in force in 1979, was to provide 4,800 apartments at market rentals. Approximately 9,000 apartments would be subsidized for middle-income occupancy and about 2,200 apartments would be more heavily subsidized for low-income families. In addition, the development would include six million square feet of office and commercial space. The tax revenue on the commercial projects was expected to cover costs of maintaining the infrastructure of the whole development, as well as the open space in residential areas, relieving residential occupants of that financial burden.

Despite this self-confident agenda, not a single builder declared his interest in constructing an apartment house on what remained 92 acres of sand. In 1979, the Downtown-Lower Manhattan Association commissioned Vollmer Associates, an engineering and planning firm of high repute, to report on the status of Battery Park City and its future. Vollmer Associates found many flaws in the plan for Battery Park City, but its most important finding was that unless radical changes were made, within four years the Battery Park City Authority would be unable to pay any further interest on the bonds it had issued. In short, it would be bankrupt.

Vollmer found that builders were not interested in developing apartment houses on the site, although the land was cheaper than comparable land nearby, because it was cut off from downtown Manhattan by heavily traveled West Street. Experienced builders were also afraid of having to comply with the conflicting demands of too many uncoordinated government agencies.

Few, if any, reports from private agencies on governmental activities in New York State had so galvanizing an effect as this one. The Battery Park City Authority was reorganized. Richard Kahane, of the state's Urban Development Corporation, came in as chief executive officer. Among his first actions was the appointment of architect Thomas Galvin as one of his assistants. This step was followed by a renegotiation of the contract between the authority and New York City to trim the regulatory thicket. Kahane then engaged the marvelously talented firm of Cooper-Eckstut to develop a new master plan for the entire 92 acres.

Cooper-Eckstut started with a wholly different premise from that of their predecessors. The original plan was based on the idea that the 92 acres were to be regarded as separate from Manhattan itself, that the land would be divided into three high-rise villages, and that the development would deliberately include low- and middle-income people whose apartments would be subsidized by the government.

What emerged from the new plan was a strong emphasis on making the 92 acres a part of the city. The original Corbusian towers-in-the-park scheme was

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scrapped. City streets were extended into Battery Park City across West Street, and traffic lights were installed. Two pedestrian bridges were planned to cross over West Street, so that pedestrians would never have to wait for a change in the lights. In contrast to the three-village plan, Cooper-Eckstut conceived of a single, distinctly urban form for Battery Park City, tied together, like much of the rest of Manhattan, by long north-south avenues. Eckstut developed a plan for the use of open space, including large parks and small garden plots that were intended to make Battery Park City not only a real part of the city, but a uniquely beautiful one. The differences in the administration and the master plan were soon apparent to builders, who began to compete for the sites they preferred.

No one can deny that the Battery Park City program benefited significantly from an immense stroke of luck. By 1979 the city was emerging from the acute phase of its fiscal crisis. At the same time, the boom of the 1980s was particularly beneficial for the financial industries. Economic expansion created an unprecedented demand for capital, firms involved in the financial markets expanded rapidly, and office and residential spaces were in demand. While many sites remain to be developed, the fiscal troubles of Battery Park appear to be over, barring a serious collapse of the financial markets.

So far, all the residential buildings in the development have been built to the south of the Winter Garden. More residential building sites are planned in north and south sections of the site, if and when the market revives. In fact, only about one-quarter of the ultimate population is now in residence in Battery Park City—which may be more people than should be housed there.

Now that the buildings in Battery Park City are occupied by families able to pay market rents, some observers are asking whether state and local governments should have invested public capital in housing for the immediate benefit of the rich rather than the poor. The fact is, however, that in return for giving up some of its underwater land, New York City is receiving handsome revenues.

Under Battery Park City's rules, building owners rent land from the Battery Park City Authority and also make payments to the authority in lieu of real property taxes. These payments are divided between the Authority and New York City government. Since the Battery Park City Authority is a nonprofit agency, the city ends up with a major share of the money. Between fiscal 1987 and 1992, its share has totaled $146 million. In addition, in fiscal 1991, the authority borrowed $224 million on its own bonds which it gave to the city to enable it to balance its budget. The authority is, of course, paying the debt service on these bonds, amounting to a considerable sum of money annually. The reason why the authority has been producing such fulsome revenues is simple: filling in the 92 acres created very valuable land out of totally valueless land in a high-value neighborhood at a very low cost.

Even if Battery Park City produced smaller excess earnings, it would be a success. The product—a magnificent new event in New York's development history—indicates that government can collaborate with private builders and architects to perform what private industry alone cannot. And private entrepreneurs, using their own capital, skills, willingness to take risks, and their own judgment in selecting architects can, given wide freedom, succeed in creating in three dimensions what government started.

With its glorious views of the harbor, parks, flower beds, trees, ample spaces for outdoor activity, and not a homeless person in sight, residents of Battery Park City enjoy a quality of life that most New Yorkers imagine exists only in places like Seattle or San Francisco. Battery Park City is a remarkable achievement—and so, despite its rocky start, is the collaboration that accomplished it. ■

"Don't give up on your local public school— read
Miracle in East Harlem"
—Donna Shalala
U.S Secretary of Health & Human Services

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ADAM P. GLICK

Metropolitan Life

What a day!

Because I had to pick someone up at LaGuardia at 7:30 A.M., I thought it would be more convenient to park my car on the street overnight (instead of in the $300-a-month garage two miles away).

This was my first mistake. As I sauntered across Lexington Avenue I noticed that the street was littered with glass shards. This bit of urban decay didn't disturb me too much until I realized that the glass in question was all that remained of my driver's side window. A quick inspection of my car revealed that a thief had taken (1) a radio, (2) a Cheerio-encrusted baby seat, (3) cassettes of various musical persuasions, and (4) a $5.95 spatula from Zabar's.

Anyhow, realizing that I was now in danger of being seriously late for the airport, I quickly drove what remained of my car to the $300-a-month garage where I should have left it in the first place. From there I walked to a nearby hotel and hailed the first cab in the taxi stand.

"Where you going to?" the cabdriver queried, before I was within ten feet of the cab.

"You're not allowed to ask that." I reminded him of the law.

"If you're not going to the airport, I'll find someone else for you. Where you going?"

I held firm. "You can't ask that."

This colloquy might have gone on forever, but fortunately, at that point another cab dropped a passenger off. I jumped in and loudly announced, "To LaGuardia."

"We can make it to LaGuardia in twenty minutes, can't we?" I asked my new driver.

"No."

"Why not?"

"They're doing emergency repairs on the Triborough; we'll be delayed about a half hour."

Fortunately, the shuttle was also delayed so my guest was only waiting a few minutes when I finally arrived: the day was still salvageable. We drove to the office where I borrowed a car from a coworker.

My guest and I spent the rest of the morning fruitfully. We then drove to Manhattan for lunch. On 56th Street between Ninth and Eighth avenues traffic stopped.

"I say," my guest proffered, "we haven't moved in ten minutes."

"Don't worry, this sometimes happens. Got to take the bad with the good in the big city."

Fifteen minutes later, I thought I heard a clearing of the throat. "Doesn't this ever get to you? We've only moved three cars in 15 minutes."

"Oh, not really," I said through gritted teeth. It was important to maintain some aura of calm; after all, I was looking to borrow money from this man's bank. I needed to show that I wasn't one of those hot-under-the-collar types.

Another twenty minutes passed.

I loosened my collar.

Upon finally approaching Eighth Avenue, we were greeted by a policeman.

"You can't continue east."

"Why?"

"Because I said so."

"Do you care to elaborate? Why is the street closed?"

"It's not closed, but we're letting in a limited number of cars."

"Why?"

"I don't have to tell you."

"But you let the car before us through."

"He works on this street."

"So do I."

At this point the policeman felt that his point could be better emphasized by pounding both fists on the hood of our car. Additionally, the sound of the car horns in unison behind me seemed to suggest that others also thought it was outrageous that a citizen should be so bold as to inquire why one of his streets had been shut off. I figured that it would be simpler just to make a left on 57th Street. Got to take the bad with the good in the big city.

Again, I encountered resistance.

"You can't go through, we're only letting through a limited number of cars."

"But I work here."

"Sure you do."

"Listen, could you please tell me why the street is closed?"

"If you must know, there's a 'Celebration of Broadway' street fair going on."

And here is where I lost it.

"This is absolutely crazy. While cars are broken into, and cab drivers refuse to take individuals to areas which displease them, and bridges fall apart because of lack of maintenance, and spatula-wielding criminals freely roam the streets, this city fritters away its energies backing up traffic for hours to celebrate an industry that's been dying a slow death since the invention of motion pictures? I'm sorry, I'm sick and tired of New York celebrating its past while ignoring its future—gangway."

With that, I threw caution to the wind, plowed my car past the policewoman, and headed to my office.

Got to take the bad with the good in the big city, you know. ■

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